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FINANCIAL TIMES

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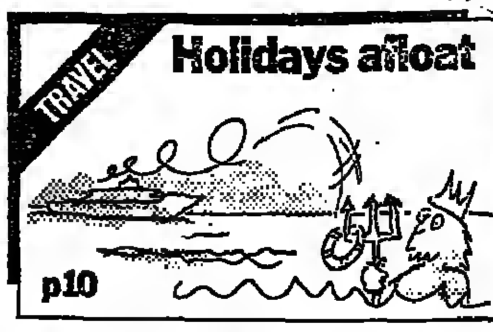
SAVINGS AND INVESTMENTS
Foreign banks move into mortgage market p8

MOTORING
Music on the move p10

FEATURES
PENSIONS p18
Privileges under threat
SOUTH WALES MINERS
Excommunication in the valleys p19

TRAVEL
Holidays afloat p10



HOW TO SPEND IT
CHRISTMAS CHAMPAGNE
The best of the bubbly
Toys for the boys p15

WORLD NEWS

Brittan sees danger of losing touch

Home Secretary Leon Brittan yesterday conceded in the wake of the Southgate by-election that communication between the Government and its supporters might be "less good than it should be."

On the Channel 4 Week in Politics programme, he acknowledged the danger that government might fail to respond to its supporters after 5½ years in power.

Tory candidate Michael Portillo held Southgate, one of the Government's safest London seats, but with a majority cut from almost 16,000 to 4,711. Page 3

Author jailed over death

Children's author Helen Charlotte Hough was jailed for nine months at the Old Bailey for helping an old woman commit suicide by placing a plastic bag over her head after she had taken an overdose of drugs. She admitted attempted murder.

Soldier guilty of murder

Pte Ian Thain was jailed for life in Belfast, the first British soldier to be found guilty of murder while on duty in Northern Ireland.

Solicitors attack RUC

A group of 18 Northern Ireland solicitors claimed the Royal Ulster Constabulary was forcing innocent people to spy on the IRA. The RUC denied it.

Hunger strike refugees

About 40 of the East Germans who have been in West Germany's Prague embassy for three months began a hunger strike to back demands for exit visas. Page 2

Nato supports Shultz

U.S. State Secretary George Shultz won the backing of Nato allies for his talks with Andrei Gromyko of the USSR on disarmament. Page 2

50,000 flee Bhopal

Another 50,000 people fled from Bhopal, India, where scientists are planning to neutralise the poison gas that killed 2,500 last week. Some 150,000 have now left. Page 2

Lebanon angry at raid

Lebanon said it was considering protesting to the UN at an Israeli operation in south Lebanon in which two villagers were killed.

BMA stands by claims

The British Medical Association denied misleading doctors over government proposals to cut the NHS drugs bill. Page 5

Polisario rebels backed

Mauritania's new military rulers, who seized power on Wednesday, reaffirmed support for Polisario rebels fighting Morocco in the Western Sahara.

Briefly . . .

Spanish poet Vicente Aleixandre, 1977 Nobel Prizewinner, died aged 86.

Transport strikes brought traffic jams to Italian cities.

Financial Times

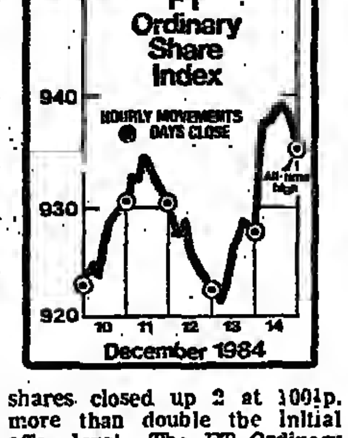
We apologise for any typographical errors, particularly in statistical material, in this edition resulting from action by National Graphical Association and Sogat members in the FT reading room.

BUSINESS SUMMARY

Annual rate of inflation falls to 4.9%

ANNUAL inflation rate edged down to 4.9 per cent last month from 5 per cent in October, and the Government forecast a further fall this month. The retail price index rose 0.3 per cent in November, with most of the increase accounted for by dearer coal, newspapers, cigarettes and some foods. Back Page

EQUITIES reached record levels as institutional buying continued, encouraged by reports on the possible scape of tax cuts in the Budget. British Telecom



shares closed up 2 at 100½p, more than double the initial offer level. The FT Ordinary Share index gained 7.8 to a record 935.4. Page 24

BUILDING Societies' net receipts fell to £363m in November, less than a third of October's level, mainly through the withdrawal of funds to buy British Telecom shares. Page 3

OECD is marginally more optimistic about world growth prospects for next year than at the time of last half-yearly Economic Outlook in July. Back Page

U.S. told Poland's government that it is lifting its veto on Polish membership of the IMF. Back Page

VOSPER Thornycroft directors intend to mount a bid for the company, one of seven British Shipbuilders' warship yards due to be privatised in the next 15 months. Page 5

HIGHER PAY rises are forecast for next year by Industrial Relations Services, a research company. Page 6

MOTOR INDUSTRY: Nearly 130 small companies in the after-sales sector are to co-operate in a bid to cut costs and win more export business. Page 5

ELECTROLUX of Sweden became Europe's biggest single domestic appliance maker with the formalisation of its deal to take control of Zanussi of Italy. Page 21

ATLANTIC Richfield, Los Angeles-based oil group, agreed to pay $22.5m (£18.9m) to settle its part of a nine-year-old anti-trust suit charging seven oil companies with conspiring to underpay for crude pumped from public lands. Page 21

INTASUN, holiday and travel concern, reported a £3.54m fall in pre-tax profits to £16.48m in the six months to September 30, and warned that the winter season loss will exceed the previous £3.5m. Page 20; Lex, Back Page

INITIAL, laundry and cleaning group, raised first-half pre-tax profits to £14.37m from £13.56m on turnover £20.39m ahead to £128.87m. Page 20

MARKETS

DOLLAR
New York lunchtime
DM 3.091
FFr 9.4775
SwFr 2.545
Y247.65
London
DM 3.089 (3.104)
FFr 9.4725 (9.515)
SwFr 2.5425 (2.561)
Y247.75 (247.5)
Dollar Index 143.3 (143.1)
Tokyo close Y247.72

U.S. LUNCHTIME RATES
Fed Funds 8¼%
3-month Treasury Bills: 8.01%
Long Bond: 101⅞
Yield: 11.54

GOLD
New York Comex Dec latest $322.8
London: $322.5 ($325.25)

STERLING
New York lunchtime $1.1948
London: $1.193 (1.19)
DM 3.7075 (3.695)
FFr 11.3825 (11.32)
SwFr 3.0575 (3.0475)
Y296.25 (294.5)
Sterling index 74.2 (74.3)

LONDON MONEY
3-month interbank:
mid rate 9⅞% (9¾)
3-month eligible bills:
buying rate 9⅛% (9⅝)

STOCK INDICES
FT Ind Ord 935.4 (+7.8)
FT-A All Share 578.55 (+0.7%)
FT-SE 100 1,204.8 (+8.1)
FT-A long gilt yield index:
High coupon 10.29 (10.25)
New York lunchtime:
DJ Ind Av 1,183.19 (+14.35)
Tokyo:
Nikkei Dow 11,419.1 (+79.05)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1,200; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 75; Spain Pta 100; Sweden Kr 5.50; Switzerland Fr 2.00; Ireland 60p; Malta 30c.

Laker litigation delays privatisation of BA

BY DUNCAN CAMPBELL-SMITH

BRITISH AIRWAYS' privatisation, expected next February, has been postponed, probably until the early summer of next year.

The delay appears to have been accepted by the Government and the BA board as an unavoidable consequence of intense negotiations behind the scenes to reach an out-of-court settlement with Mr Christopher Morris, the Laker Airways liquidator.

Concern has been growing in recent days about the threat to privatisation posed by Mr Morris's litigation against BA. He is pressing for treble damages in excess of $1bn (£840m) in the U.S. courts on the grounds that BA and other airlines conspired to bring about Laker's collapse.

Lord King, BA's chairman, yesterday presented his full board with a review of the obstacles to completion of a privatisation prospectus. The legal problem has now come to the fore and attempts to agree on a financial settlement for the Laker creditors are believed to have reached a critical stage.

Also awaiting resolution is the long-standing impasse over BA's balance sheet. The City advisers on the privatisation are continuing to press for an injection of fresh capital from the Government. They have their sights on £400m which might reduce BA's net debt to around 50 per cent or less of shareholders' funds.

The Treasury is understood to have been insisting that the injection of any extra funds looks unnecessary given the strong cash flow expected for BA's future operations.

Other outstanding financial issues are regarded as less of a problem. It has to be decided, for example, how much preference should be given to employees in the sale of BA's shares, and how large an advertising budget should be set aside to help attract demand for the shares from the general public.

These questions, and even the matter of BA's capital structure, are apparently still seen as less than insuperable barriers to a February publication date for the prospectus. BA itself has made no secret of its February 14 target date.

The legal complication, however, seems to have emerged late in the day as potentially the biggest problem of all. BA's report and accounts dated June 1 stated briefly the directors' belief that Laker's damages case was "unfounded."

Hill Samuel, the merchant bank adviser to the privatisation, is known to be adamant that, as long as the litigation were pending, a more substantial reference to the problem would be needed in the sale prospectus. The attempt to find a compromise between BA and the Laker liquidator reflects a general view that any reasonable settlement would satisfy the market far more than a footnote in BA's accounts.

A U.S. criminal action against

Continued on Back Page

Walker cool on TUC pit plan

BY JOHN LLOYD, INDUSTRIAL EDITOR

"FRAMEWORK" agreement for ending the miners' strike was put to Mr Peter Walker, the Energy Secretary, by TUC leaders yesterday. They were told it had no hope of being considered by the National Coal Board until the National Union of Mineworkers indicated a willingness to accept closure of uneconomic pits.

Mr Walker spent 90 minutes with the TUC's seven-man liaison group. He said afterwards that the TUC had nothing to bring to this meeting in the way of suggesting a change in the NUM's attitude."

Mr Norman Willis, the TUC general secretary, said the demand that the NUM make concessions in advance of talks posed "enormous difficulties for any negotiator."

The TUC team will meet the three NUM leaders, probably on Monday, and is likely to explore further the scope for flexibility on the NUM side.

Both the TUC Finance and General Purposes Committee on Monday, and the General Council on Wednesday, will again discuss prospects for new negotiations, knowing that the

Rulings that could have a significant effect on current and future court actions by working miners were made by a High Court judge yesterday, in the most important judgment yet delivered on the strike.

Among points made by Mr Justice Vinelott were:

Individual union members can sue their union to remedy any wrong done in its name.

If a strike has been declared unofficial by a court, or is not authorised by union rules, union funds cannot lawfully be spent on it. Page 8

Government and the NCB will not budge until they see that the NUM is willing to move.

Ministers believe that some of the seven TUC leaders are convinced of the need for concessions on the NUM's part. They even claim to have picked up indications of this at yesterday's meeting, a point firmly denied by the TUC.

It is unlikely that talks can re-start before the New Year. The Government and the board rest their hopes on a renewed "surge" back to work in January.

The TUC proposal is for the board to drop formally its planned cut in production of 4m tonnes, announced on March 6, and its proposed closure of five pits. These are, it believes, not likely to be controversial because of the estimated 70m tonnes of coal lost during the 9½ months of the strike.

Once that is agreed the TUC suggests that the miners return to work on the explicit understanding that a revised Plan for Coal is negotiated between mining unions, Government and the NCB by a specified date.

Implicit in this proposal is the assumption that such a Plan would scale down the production targets of the present Plan, which call for output of 135m tonnes by next year, to a planned level of about 100m tonnes.

Continued on Back Page

Jenkin to announce clampdown in councils' capital spending

BY ROBIN PAULEY

A SEVERE clampdown on local authority capital spending programmes in 1985-86, which will cost the construction industry £900m of work, is to announced by Partick Jenkin, Environment Secretary, on Tuesday. The decision is likely to lead to a major parliamentary row and angry recrimination from the construction industry.

Council housing is to bear the brunt of the cuts with a reduction in new spending of about £600m or 24 per cent in 1985-86 compared with the present year.

The impetus for the cut has come from the Treasury, and its imposition is against Mr Jenkin's wish

In addition, the Treasury, backed by the Cabinet on Thursday, has refused to give any promise that the capital programme will not be further affected by, for example, a moratorium on new contracts or an emergency package during the summer.

The clampdown is partly the result of the success of the oGvernment's policy of encouraging councils to sell land and houses to generate cash which can be used for new capital projects.

In recent years the spending of some of these capital receipts, coming on top of normal spending up to the allocated annual limits for borrowing for capital investment, has meant that the total capital cash limit on local authority expenditure has been broken. This contrasts with earlier years with capital underspends.

In 1983-84, the excess was £400m, and this is likely to be repeated in this financial year. At the same time, local authorities have accumulated an unspent cash mountain of about £4.5bn from land and house sales, and the Treasury has been anxious for some time to prevent this money suddenly flooding into the economy.

In addition, councils have about £2bn in their current account reserves, balances and special funds. That poses an almost equally large theoretical threat of destabilisation from the current expenditure side.

Mr Jenkin will announce on Tuesday that the total borrowing limit for housing investment for England will be cut to £1.6bn in 1985-86 against this year's £1.853bn. This just meets a previous Government guarantee that next year's investment limits would not be less than 80 per cent of this year's figures.

In addition the proportion of accumulated funds from council house sales which can be added to the allocation will be cut from the present 40 per cent to 20 per cent. Thus, although those funds financed about £660m of extra capital spending this year, the figure will be down to £320m next year.

Overall the total available for housing capital spending will be £1.9bn compared with £2.5bn this year

The Government is also clamping down on the amount of other accumulated receipts — those from sources other than council house rates — which can be spent. The proportion will fall from 50 per cent (100 per cent in the case of housing land sales).

These measures will prevent a further £300m of capital spending, bringing the total to £900m.

The decisions come after a fierce battle, finally resolved by the Cabinet on Thursday, in which Mr Nigel Lawson, the Chancellor, has been closely involved.

Mr Jenkin wanted the present proportions to remain and has clearly had to concede much more than the Treasury.

CONTENTS

Appointments	25	Foreign Exchanges	23	Motoring	10	UK News:	
Arts	18	Gardening	12	Overseas News	2	General	3, 4, 5
Books	14	Gold Markets	23	Property	12	Labour	6
Bridge	10	How to Spend It	15	Share Information	28, 29	Unit Trusts	26, 27
Chess	10	Intnl. Co. News	21	Sport	17	Your Savings/Inv.	8, 9
Collecting	17	Leader Page	18	SE Dealings	25	Weather	30
Commodities	23	Letters	18	Stock Markets:		Week in the Markets	7
Company News	20, 21	Lex	30	London	24	Base Rates	3
Crossword	15	London Options	25	Wall Street	22	Building Soc. rates	19
Economic Diary	5	Man in the News	30	Bourses	22	ANNUAL STATEMENTS	
European Options	25	Mining	8	Travel	10	Murray Johnson	9
Finance & Family	8	Money Markets	23	TV and Radio	15	Harvard	21
FT Actuaries	24						

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086.

Hanson bids £151.3m for Powell Duffryn

By Ray Maughan

HANSON TRUST, the diversified industrial holding company, yesterday offered £151.3m for Powell Duffryn—its third big takeover bid in 12 months.

Powell Duffryn, which has interests in marine pumps, shipping and fuel and bulk liquid distribution, immediately rejected the approach as "unwelcome and clearly inadequate." After a lengthy meeting with S. G. Warburg, its merchant banking advisers, the Powell Duffryn board strongly advised shareholders to take no action.

Shares in Powell Duffryn rose 15p on Thursday and Hanson Trust said that was why it had acted swiftly. The increase, the bidder said, was "not substantiated by any relevant progress in the company."

Lord Hanson, chairman of Hanson Trust, said: "I believe Powell Duffryn's activities will integrate well with those of Hanson Trust."

The offer comprises four Hanson shares, unchanged yesterday at 289p, for every three shares in Powell Duffryn. The Hanson shares climbed a further 80p yesterday to 420p against the bid price of 385.3p per share.

Hanson first acquired a stake in Powell Duffryn in July 1983, but it waited another eight months before disclosing a 4.58 per cent holding. That interest has been reduced and stands at 3.69 per cent.

Powell Duffryn's profits have been affected this year by the miners' dispute, which, it calculates, cost Stephenson Clarke, the short haul coal shipping subsidiary, about £2m. That meant that interim profits in the half year to September 30 fell by 11 per cent to £6.05m.

A year ago, almost to the day, Hanson unveiled a contested bid for London Brick which, after two revisions, was secured finally last February for £247m.

In May, Hanson paid the equivalent of £384m for U.S. Industries, a North American conglomerate with interests in industrial and building pro-

Continued on Back Page
Background, Page 3; Lex, Back Page

Deadlock endangers U.S. spending cuts

BY STEWART FLEMING IN WASHINGTON

A DEADLOCK over defence spending has raised a question mark over President Ronald Reagan's strategy of seeking to reduce the 1986 Federal Budget deficit through a draconian $42bn (£35bn) programme of spending cuts.

Administration officials conceded yesterday that in the face of stubborn resistance by Mr Caspar Weinberger, Defence Secretary, backed by other Administration officials, to the slowdown in defence spending, the President's budget planning group had been unable to reach agreement on an overall budget strategy.

It is now suggested that the President may have to ask Congress for more time to prepare and present his budget plans to Congress next year.

It was reported earlier this week that Mr Weinberger had accepted in principle a $4.5bn reduction in defence outlays for 1986. Now, it is being suggested that the cuts envisaged by Mr Weinberger were, in one official's words, derisory, and involved complex juggling of spending from one year to another.

The gap between what Mr Weinberger offered and what Mr David Stockman, the director of the Office of Management and Budget, urged is being presented now as immense.

According to Reagan administration officials, Mr Stockman has been calling for a three-year programme of reductions in defence spending authorisation of about $120bn, and Mr Weinberger has been offering reductions of only $19bn.

Budget accounting distinguishes between Congressional approval of authority to spend and the actual cash payments or outlays made by a particular department in a given year.

The deadlock within the Administration on defence spending will have to be resolved by President Reagan. But it is widely accepted that if the Administration does not propose a budget-cutting plan with a significant defence spending component in it, Congress, which has to formulate the budget decisions, will refuse once again next year to use the President's budget as a blueprint for its 1986 budget planning.

The Pentagon is reported to be arguing that to propose major moves to trim defence spending now, ahead of the forthcoming arms negotiations with the Soviet Union, would weaken the U.S. bargaining position.

The President's position remains unclear, but some officials say that there are signs that he is sympathetic to the Defence Department view. If so, it is argued, it will tend to weaken the willingness of other cabinet departments to accept sizeable spending reductions.

U.S. industrial output rise Page 2

BAT set to buy Hambro

BY ERIC SHORT

BAT Industries, the diversified tobacconist, is expected imminently, probably this morning, to announce an agreed offer for Hambro Life Assurance, Britain's largest linked life company.

Talks, which continued well into yesterday evening were believed to centre on an offer price of around 530p a share, which would value Hambro Life at about £670m.

The dealing in Hambro Life was suspended on Thursday afternoon, following a sharp rise in the company's share price. At the suspension, the shares stood at 498p.

It is understood that the financial services group Charterhouse J. Rothschild, the largest shareholder in Hambro Life, will sell its 24.8 per cent stake in BAT Industries.

This stake was acquired by CJR earlier this year from the merchant banking group Hambros before an abortive attempt to merge with Hambro Life. A price of 550p a share would give it a profit of some £4m on the deal.

The other major shareholder with 10.2 per cent of the equity, Guardian Royal Exchange Assurance, has been aware of the expected offer, but has not been involved in the talks on the probable bid.

Gorbachev begins visit to Britain today

By David Buchan, East Europe Correspondent

MR MIKHAIL GORBACHEV, the presumed number twa in the Soviet leadership, arrives in Britain today. He is to hold talks tomorrow with Mrs Margaret Thalcber, at the starf of a week in which be will meet government officials, MPs and businessmen in England and Scotland.

Mr Gorbachev is lhe most senior Soviet leader to visit Britain since the late 1970s breakdown ln detente. His trip is part af a revival in Soviet diplomatic activity. After more than a year's lapse, Moscow ls resuming arms control discussions with the U.S. next moalh.

In London, the Gorbachev visit ia also seen as a response to lhe British Covernment's policy re-evalnation, after the Jnne 1983 election. Mrs Thatcher then said the East-West impasse could anly be broken by dealing "with the Soviet Union not as one wonld like it, but as lt is."

Mr Gorhachev bolds no government post; hut he is helieved to rank second only to President Konstantin Chernenko ln the Communist Party. He is both a full (voting' Polithuro member and a secretary to lbe Central Committee, with responsibilities spread over agriculture, idealagy and foreign affalrs.

Mr Gorbachev'a talks with the Prime Minister and ministers af Chequers lomorrow and with Sir Geoffrey Howe, the UK Foreign Secretary, on Monday, are expected to apan arms control, East-West and bilateral trade issues.

Three others in the Sovlet delegation are considered heavyweight foreign policy or defence experts, and may join Mr Gorhachev ln his talks with the UK Government. They are Mr Leonid Zamyatin, the Central Committee's forelgn policy spokesman, Dr Alexander Yakovlev, a former ambassador lo Canada and head of the Academy of Sciences' inlernallonal relations institule, and Academician Evgeni Vellkhev, a prominent nuclear scientist.

Paol Betts adds from Paris: M Roland Dumas, the new French Forelgn Minlsler, is expected lo fly lo Moscow at lhe end of next month to try lo organise a visit by Mr Chernenko to Paris.

In spite of the current poor state of relallons between Paris and Moscow, the French Government is anxions to maintain as regular and as open a dialogue as possible wilh lbe Soviet Union.

U.S. industrial output rises 0.4%

BY STEWART FLEMING IN WASHINGTON

INDUSTRIAL production in the U.S. bounced back in November after a two-month slump, raising hopes of at least a modest recovery in economic growth ln the fourth quarter.

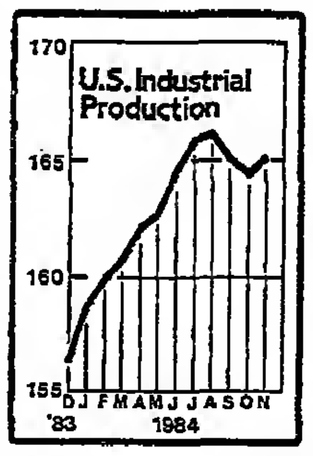
Economists such as Mr David Hale of Kemper Financial Services are now suggesting tbat fourth quarter growth could be around the 3 per cent level, a little higher than the 1.9 per cent rise in real gross national product in the third quarter.

With some of the most important economic data for November now in, maoy ecooomists are concluding tbat there wasa modest recovery in domestic output last month which is expected to carry over into the current month and the New Year. One major remaining uncertainty which could upset these projections however, is the trend in the foreign trade deficit which has been ao important drag on overall growth.

Industrial production in November rose 0.4 per cent, the Federal Reserve Board said, following revised declines of 0.4 per cent in Oclober and 0.6 per cent in September. The Commerce Department also reported yesterday one of the sharpest increases this year in producer prices—a rise of 0.5 per ceot. But this brings the rise in wholesale prices for the past 12 months to only 1.9 per cent and largely reflected a sharp rise in food, especially meat prices.

Earlier this week the Commerce Department said that retail sales last month rebounded more strongly than expected and carlier in the month the Government reported a decline in uoemployment. Early December car sales bave also picked up sharply.

The modest upswing in economic activity in November will not calm Reagan Administration fears that a sluggish economy is threatening to exacerbade the problem of reducing tbe federal hudget deficit or remove anxieties which some economists have that there is still a significant risk that economic weakness could turn into recession. Mr Donald Regan, the U.S. Treasury Secretary, this week underlined his concern on this score by putting renewed pressure on the Fed to ease monetary policy. The Fed's policy-making open market committee meets again next week.



Nato supports Shultz arms control stance

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN BRUSSELS

MR GEORGE SHULTZ, the U.S. Secretary of Slate, yesterday won the full backing of America's Nato alliea for his talks with Mr Andrei Gromyko, his Soviet opposite number, on disarmament problems in Ceneva on January 7 and 8.

The meeting, it is generally hoped, will mark the atart of a thaw in East-West relations, after the long freeze which followed the Soviet Unioo's walkout from nuclear disarmament negotiations at the end of last year.

Both the communique issued after the two-day meeting of Nato foreign ministers and alatements by individual ministers reflected the unusually harmonious atmosphere ln which their discussions took place.

There can be little doubt that this was the direct result of the U.S. Administration's repeated assurances that its Nato allies would be fully consulted at every stage of the forthcoming disarmament negotiations.

Though particular emphasis was placed on the need for close consultations in the communique, no new machinery will be set up for this specific purpose. Mr Shultz and Sir Geoffrey Howe, the UK Foreign Secretary, said at separate Press conferences that existing methods of consultation had proved adequate.

Mr Shultz, who was at pains to stress that the U.S. was approaching the meeting with the Soviet Union in a positive and constructive spirit, was nevertheless obliged to admit that, with only three weeks to go, no final decision had yet been taken on the U.S. negotiation position.

The official American explanation for this is that the U.S. was anxious to consult its allies. However, Mr Shultz gave a hint that disagreements within the U.S. administration could be delaying a decision, when he said that the way that space weapons and defensive systems were handled in the negotiations was still a matter for President Reagan to decide.

Mr Shultz drew particular satisfaction from the fact that in spite of the known reservations of the Dutch and Belgian governments about the deployment of Pershing 2 and cruise missiles, they subscribed to the part of the communique reiterating Nato's position.

It stated that—in the absence of concrete results in the talks on the dismantling of intermediate range missiles in Europe—the Allies would continue the deployment of this category of missile. At the same time, willingness to reverse the whole proces in the event of an acceptable agreement with the Soviet Union was underlined in the strongest terms.

Prague embassy refugees start hunger strike

BY LESLIE COLITT IN BERLIN

SOME 40 of the 70 East Germans who have been in the West German embassy in Prague for the past three montha began a hunger atrike yesterday to try to force East Germany to grant them exit permits for the West.

The West German Government said it "regretted" the move which would not help efforts to achieve a solution. Seven other East Germans are in the West German embassy in Budapest and a handful are in Bonn's embassy ln Warsaw.

Nearly 100 East Germans left the Prague embassy for home in recent weeks after East Germany said it would not prosecute those who returned. East Berlin refused to guarantee exit permits to the West for them but said their applications to emigrate would be "considered." West German officials confirmed that East Germany had honoured its pledge not to take legal steps against them.

The deadlock in the Prague embassy has nevertheless brought the East and West German governments closer together on the refugee problem. West Germany said it strongly disapproved of East Germans trying to "force" their way to West Germany by taking refuge in its embassies.

Herr Hans Dietrich Genscher, the West German Foreign Minister, is expected to discuss the problem during a two-day official visit to Prague.

Czechoslovakia, in a joint statement with Poland, at the end of a brief visit to Prague by the Polish leader General Wojciech Jaruzelski, attacked an alleged upsurge in the activities of "revanchist forces" in West Germany.

Cyprus President agrees to summit in January

BY ANDRIANA IERODIACONOU IN ATHENS

PRESIDENT Spyros Kyprianou of Cyprus has agreed to the January 17 summit meeting with Mr Raouf Denktash, the Turkish Cypriot leader, to discuss a Cyprus settlement, Greek Cypriot officials said yesterday.

They said Mr Denktash had made a number of concessions on the sharing of both territory and constitutional power in a future federal state.

The meeting was announced in New York two days ago by Sr Javier Perez de Cuellar, the United Nations Secretary General, who has been mediating in indirect negotiations between Mr Kyprianou and Mr Denktash since September, in an effort to arrange a summit.

It had been known before the two men met for a final round of make-or-break bargaining on a possible meeting this week, that Mr Denktash had agreed to hand back about 8 per cent of the 37 per cent of Cyprus territory occupied by Turkish troops since 1974—an improvement of several percentage points on previous offers.

According to Greek Press reports, which are said to be accurate, it is now understood that as an additional territorial concession Mr Denktash has agred to hand back to the Greek Cypriots the entire occupied port and tourist city of Varosha, as opposed to the earlier offer of a partial return.

The Turkish Cypriot leader has also reportedly dropped previous demands for a rotating presidency. He has limited demands for broad Turkish Cypriot veto powers in government to issues specifically affecting the minority community.

Israel's inflation rate eases slightly

ISRAEL'S hyper-inflation rate eased slightly last month, but the Government's wage and price freeze has not yet made a dramatic impact, according to official figures released yesterday. Our Tel Aviv Correspondent writes.

The Central Bureau of Statistics reported that prices in November rose 19.5 per cent, the first time since August that the monthly inflation rate has fallen below 20 per cent.

But this was slightly worse than some Treasury officials had forecast, with a projected annual inflation rate still about 800 per cent.

Mr Yitzhak Modai, the Finance Minister, said the three-month wage and price freeze, which started on November 4, had not had time to show up in the statistics but was now beginning to work.

Lambsdorff tax charge

West Germany's Bundestag yesterday stripped Count Otto Lambsdorff, the former FDP Economics Minister, of his parliamentary immunity to clear the way for prosecutors to bring tax evasion charges against him, Rupert Cornwell in Bonn.

At the end of last year it took similar action against Count Lambsdorff, to enable him to face trial on bribery charges in connection with a DM 800m tax break for the controversial Flick industrial concern.

Vietnam mass trial

The Vietnamese Government began yesterday the trial of 21 Vietnamese, some of them former South Vietnamese officers, accused of plotting to overthrow the Communist regime through espionage, sabotage and armed activities, AP reports from Ho Chi Minh City.

Senegal aid agreed

Industrialised countries tentatively agreed yesterday to support Senegal's economic recovery programme with $500m in aid next year, Paul Betts reports from Paris. This follows the first meeting of a Senegal aid consortium in Paris.

Swiss motorway tax next month

BRITAIN'S motoring organisations reminded drivers yesterday that, from January 1, a tax of SwFr 30 (about £10) must be paid for cars travelling on Switzerland's motorway network. A fine of about £40 will be levied on any car on the motorways without having a special tax disc placed inside the windscreen.

Massive security as Bhopal prepares Carbide start-up

BY JOHN ELLIOTT IN NEW DELHI

THREE RUSSIAN helicopters fitted with special water tanks will hover 200 ft above Union Carbide's pesticides factory in Bhopal tomorrow morning, spraying water on the lethal gas plant when production restarts.

As people continued to flee the city yesterday, detectives arrived from New Delhi to investigate the presence of germ warfare experts masquerading as doctors or relief workers.

Elaborate safety precautions are being taken to prevent any accidents when pesticide production is continued tomorrow, to use up the remaining 15 tons of gas.

About 2,000 paramilitary troops are standing by and relief helicopters wil lalso be available at nearby air bases in addition to the three Russian M18s, which will spray water to dilute any leaking gas.

Two visiting doctors yesterday suggested that traces of another lethal gas, Phosgene, also used in theplant, waa found in victims. This was denied by Union Carbide doctors who, along with the senior autopsy expert in the city, have said for the past week that there are no traces of Phosgene.

Two directors of India's Central Bureau of Investigation, which is leading an inquiry into the disaster, arrived in Bhopal yesterday. They said they could not rule out the possibility of the presence of germ warfare experts or the possibility of the factory being misused to test certain lethal chemicals.

Two directors of Union Carbide India were yesterday released on bail of Rs 75,000 (£5,000) six days after their arrest along with Mr Warren Anderson, Union Carbide's chairman in the U.S., who was released on bail after a few hours. The two are Mr Keshub Mahindra, chairman and Mr V. P. Gokhale, managing director.

The Swiss-based International Federation of Chemical, Energy and General Workers' Unions (ICEF) has called for an international inquiry into the incident.

The federation, which represents more than 200 trade unions in 73 countries tries, says the International Labour Organisation and the World Health Organisation are the "only competent and proper agencies" to carry out an inquiry of this kind.

The federation claims that available information is "so totally contradictory . . . that even establishing the very basic facts of the accidenthas so far been extremely difficult."

Reports fro mIndian affiliates and other trade-union sources are said to point to even greater casualties in Bhopal than have been announced so far.

ICEF says that the ILO and the WHO should first establish the number of casualties.

An ICEF statement alleges that Union Carbide has a past history of serious chemical plant accidents" and that Bhopal safety systems were below American standards.

Several EEC states may defy milk levy scheme

BY ANDREW GOWERS

BRITAIN and several other EEC member states look set to defy Common Market law today as the deadline passes for collection of the super-levy on excess milk production from farmers.

Britain's Ministry of Agriculture said yesterday it would not collect the levy from farmers in Northern Ireland until it received confirmation that other countries' milk producers were also paying up. Farmers in England, Wales and Scotland are not due to pay because they have been producing below quota.

Unconfirmed reports said that Belgium and the Netherlands had refused to collect the levy, the former because of what it claimed was a lack of administrative machinery, the latter for similar reasons to those given by Britain.

France and Ireland are apparently promising to comply with the rules, but it was being suggested in Brussels last night that the basis they have used to calculate payments due is illegal.

Proper application of the super-levy, imposed along with production quotas to curb the Community's dairy surplus last April, is a crucial test of member states' ability to reform the Common Agricultural Policy.

The European Commission, responsible for policing the system, has ruled that payments must be made by today and has already deducted payments from this month's advances for agricultural spending to member states.

Bank creditors agree to loans sought by Manila

BY EMILIA TAGAZA IN MANILA

THE PHILIPPINES' foreign commercial creditors have agreed to extend at least 92 per cent ofthe $925m (£775m) the Government is requesting in new loans.

Central bank Governor Jose Fernandez yesterday said Mr Harry Taylor, president of Manufacturers Hanover Trust, which heads the advisory committee of the country's commercial creditors, has informed the International Monetary Fund (IMF) about the commitment.

The bank's commitment to at least 90 per cent of the new money requirements is crucial to the approval by the IMF board of the Philippines long-stalled application for a SDr 615m (£508m) standby credit.

Apart from the commercial banks' commitment to extend new loans, the IMF also requires the Philippine Government to implement certain "prior actions" such as cuts on government spending, controls on money supply and credit, and the lifting of foreign exchange controls.

During the last two days, the Central Bank has further relaxed foreign exchange regulations. It has increased the amount of dollars local banks can hold, extended the period within which banks can keep dollars in excess of their ceilings, and has allowed banks to trade dollars among themselves without passing through the foreign exchange trading floor of the Bankers' Association of the Philippines.

Armed insurgents attack Philippine palm oil plant

BY OUR MANILA CORRESPONDENT

THE PHILIPPINES' first palm oil estate, jointly owned by the Government and the Malaysian-based Guthrie, was raided by armed attackers last Monday, damaging the crushing mill and forcing a shutdown.

The National Development Company (NDC), the Philippine partner in the venture, said it is not certain if the attackers were communist insurgents or bandits, but the armed forces headquarters in Manila said the group of more than 50 men were guerrillas of the New People's Army (NPA), the military arm of the outlawed Communist Party of the Philippines.

An NDC spokesman said the raiders shot at and attempted to burn the mill in Agusan Province, developed at a cost of $40m (£33m). The crushing mill, with a capacity of 480 tonnes a day, has been on trial run for only four months and was scheduled to switch on to full operations this month. NDC said the raiders also confiscated the arms of the estate's guards.

The raid is the third of its kind staged this year against agricultural estates. Earlier this year, armed men attacked a nearby pulp and paper plant.

The Commonwealth Development Corporation approved a £6.4m loan for NDC-Guthrie after a lengthy investigation of complaints against the project. The CDC was concerned with NDC-Guthrie's use of the notorious "lost command," a group of former military men, as security guards.

Cannabis crop gives Belize trade a lift

BY DAVID GARDNER IN MEXICO CITY

DURING THE American Civil War, the Union's consul in British Honduras spent a good deal of time keping tabs on the arms traffic from Britain's Central American colony to the Confederates. In the days of prohibition in the U.S., his successors worried about shipments of guns to bootleggers.

Now in independent Belize, facing away from Central America into the Caribbean and a two-hour flight from Miami, New Orleans or Houston, the smuggling tradition has survived to give the U.S. a new headache—only this time the commodity is marijuana.

The collapse in the price of sugar, Belize's main export, at the beginning of the decade triggered a boom in cannabis cultivation. This has kept a growing number of the country's 154,000 citizen in otherwise inexplicable prosperity and, in the view of several leading Belizeans, is a threat to its placid social fabric and democratic stability.

On the streets of Belize City, the main town with its ramshackle frameboard housing, unpaved streets and open sewers, and open sewers, local trade appears brisk. One dreadlocked and unemployed Creole youth, in a multi-coloured T-shirt emblazoned with "You better Belize it" and who goes by the name of ET, sold a pound of grass while I was talking to him. He was not a businessman, he said, but did occasional dealing "for friends like you."

However, local and tourist consumption is the least of the problem. In the northern cane growing areas, which should by rights be depressed, the people are well dressed, many drive expensive new pick-ups trucks and there are a growing number of shoot-outs in the Orange Walk district, probably the main production centre for what is now the country's main cash crop.

Belize, on the cautious estimate of the U.S. Drug Enforcement Agency (DEA), produced 700 tons of cannabis last year (against 250 tons in 1982 and 850 tons in 1981).

The centrist Government of long-serving Prime Minister, Mr George Price, responded with a major paraquat spraying operation in October 1983, financed by the U.S. and executed by Mexico. An estimated 90 per cent of marijuana acreage was destroyed, but that still left a potential income at least equal to sugar revenue of $36m, and from just one of the twice-yearly crops.

There has been on spraying this year because of this week's general election. Mr Price was unwilling to attack the livelihood of a growing number of his countrymen without bipartison support from the centre-right opposition. This support was not forthcoming despite strong U.S. pressure.


Price . . . unwilling to attack the livelihood of a growing number of his countrymen

The drug industry has had a clear run at two bumper harvests which, extrapolating from DEA estimates and at U.S. street prices, could net a figure in the region of $400m: Belize's GDP last year was $154m. All the figures are, at best, notional.

In sparsely-populated, lightly-policed Belize, the total area under cultivation is anybody's guess. The 1,800-strong British Forces Belize contingent, there to deter neighbouring Guatamala from pressing its 130-year-old claim to Belize, gets around the country more than most. Although not authorised to intervene against the drug trade, the latter has become so widespread they cannot avoid bumping into it. In the most serious incident so far, British troops shot dead a Galil-armed trafficker who opened fire on them.

A sergeant on duty at Cave observation post, on the border with Guatamala, pointed to a hillock scarcely 100 yards away, over which is to be found a recently planted marijuana field. One officer explained that, when patrolling with the 800-man Belize Defence Force, British troops can "provide a little extra muscle."

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Time running out for engineering steel sector plan

BY IAN RODGER

THE LONG discussed plan to rationalise Britain's engineering steels sector is looking increasingly uncertain.

Mr Brian Insch, the director of Guest Keen and Nettlefolds responsible for the group's steel interests, said yesterday that a decision would have to be reached soon because the producers had to move ahead with equipment investments in order to remain competitive.

Tbe plan, known as Phoenix 2, has been under discussion for six years and calls for combining the operations of the Britisb Steel Corporation and Guest Keen and Nettlefolds in this sector. It is also part of the Government's privatisation programme and even though GKN's assets in this sector are significantly smaller than those of BSC, the private sector company would have at least an equal voting position in the new venture.

A final proposal was agreed between the two companies last month and submitted to the Government for approval. Mr Insch, speaking after a steel industry meeting in Loodon, said that there was no deadline for approval, "but I can't see us being in the same position a year from now."

Phoenix 2 originally involved a number of other companies, such as Round Oak Steel Works, Duport and Hadfields, but they found it necessary to abandon thesector before an agreemeot could be reached. Now It involves only the GKN Brymbo works in North Wales and BSC plants in the Sheffield area.

Negotiations have already broken down once, in 1982, when both BSC and GKN sensed a market recovery and were not inclined to make sacrifices for ajoint venture. However, the recovery petered out and negotiations soon resumed. Early this year, a formula was agreed, but it called for the Government to contribute more than £100m to the costa of closures and investments in equipment for the new venture.

Nothing was beard until the autumn, when it emerged that the companiea had suhmitted a revised proposat. Meanwhile, market conditioos have improved somewhat at their engineering steel works.

It now appears that both cnmpanies have become less enthusiastic about the deal. Mr Insch said that GKN still hoped it would go through, "but we could survive without It."

Express fails to win copyright order for game

FOUR provincial newspaper groups successfully opposed an application by Express Newspapers in the Higb Court in London yesterday, seeking to stop them publishing daily letter seqnences from the Express "millionaire of tbe month" game.

Mr Justice Nicholls made no nrder on an application for injunctions by the Daily Express, Sunday Express and Daily Star against the Liverpool Daily Post and Echo, Birmingbam Post and Mail, Newcastle Chronicle and Journal and Westminster Press.

The hearing was adjourned until sometime in the New Year to allow the newspaper groups to put in evidence.

Express Newspapers alleged that its copyright was being infringed by poblication in the groups' newspapers of the "millionaire of the month" letter sequences and grids.

Chris Sherwell in Singapore writes: Publication of a satellite Sunday Express in Singapore will go ahead next month after the resolution of a dispute between the Singapore Government's Ministry of Culture and Singapore Press Holdings, one of the island state's biggest industrial corporations.

Printing of the British newspaper, due to start on November 4, was called off after the Ministry of Culture, the local licensing authority for newspapers and publications, refused to grant a permit.

The decision appeared directly to thwart Singapore's self-proclaimed ambition to become a regional information and services centre—something upon which it is pinning its hnpes of future economic growth.

Homebase Sunday trading

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE J SAINSBURY owned Homebase do-it-yourself chain plans to open 13 of its stores nn Sunday, in spite of the decision by other leading DIY retailers nt to open on that day.

Sainsbury said yesterday the decision was taken by the directors of Homebase, which is jointly-owned with the Belgian company GB-Inno-BM. It was not discussed by the main Sainsbury board.

Other leading DIY retail chains, including Marley's Payless and Texas Hnmecare, were still cnnsidering their position last night about opening tomorrow, In breach of the law on shop-opening times.

On Thursday two big retailers, Woolworth and W. H. Smitb, decided nnt to open their DIY cbain tomorrow. Woolworth's B & Q and W. H. Smith's "Do-it-All" between them have nearly 200 stnres, which bave opened most Sundays for the past two years.

Pressure from local authorities and the Government caused them tn chaoge their minds.

Greece overbooking fear

BY ARTHUR SANDLES

THE RUSH to Greece next summer by Britons avoiding higber prices and worried by reports of violence in Spain could lead to serious overbooking problems on the Greek mainland and in some of the islands. That is the view of many travel agencies faced with a flood of early bookings while the rest of the travel industry is baving a sluggish time.

A survey by Travel Agency, a trade magazine, of tour operators offering holidays to Greece has shown widespread fears that Greek hoteliers have acepted more contracts for beds than they can meet.

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hill Samuel §	9½%
Allied Irish Bank	9½%	C. Hoare & Co. †	9½%
Amro Bank	9½%	Hong Kong & Shanghai	9½%
Henry Ansbacher	9½%	Johnson Matthey Bkrs.	9½%
Armco Trust Ltd.	10½%	Knowsley & Co. Ltd.	10½%
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	10 %
Bank Hapoalim	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Megbraj and Sons Ltd.	9½%
Bank of Ireland	9½%	Midland Bank	9½%
Bank of Cyprus	9½%	■ Morgan Grenfell	9½%
Bank of India	9½%	National Bk. of Kuwait	9½%
Bank of Scotland	9½%	National Girobank	9½%
Banque Belge Ltd.	9½%	National Westminster	9½%
Barclays Bank	9½%	Norwich Gen. Tst.	9½%
Beneficial Trust Ltd.	10½%	People's Tst. & Sv. Ltd.	10½%
Brit. Bank of Mid. East	9½%	R. Raphael & Sons	9½%
■ Brown Shipley	9½%	P. S. Refson	9½%
CL Bank Nederland	9½%	Roxburghe Guarantee	10 %
Canada Perm'nt Trust	9½%	Royal Bk. of Scotland	9½%
Cayzer Ltd.	9½%	Royal Trust Co. Canada	9½%
Cedar Holdings	11 %	■ J Henry Schroder Wagg	9½%
■ Charterhouse Japhet	9½%	Standard Chartered ‖	9½%
Choulartons	11 %	Trade Dev. Bank	9½%
Citibank NA	9½%	TCB	9½%
Citibank Savings ¶	10½%	Trustee Savings Bank	9½%
Clydesdale Bank	9½%	United Bank of Kuwait	9½%
C. E. Coates & Co. Ltd.	10½%	United Mizrahi Bank	9½%
Comm. Bk. N. East	9½%	Westpac Banking Corp.	9½%
Consolidated Credits	9½%	Whiteaway Laidlaw	10 %
Co-operative Bank *	9½%	Williams & Glyn's	9½%
The Cyprus Popular Bk.	9½%	Wintrust Secs. Ltd.	9½%
Dunbar & Co. Ltd.	9½%	Yorkshire Bank	9½%
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	11 %		
■ Robert Fleming & Co.	9½%		
Robert Fraser & Ptns.	10 %		
Grindlays Bank ‡	9½%		
■ Guinness Mahon	9½%		
■ Hambros Bank	9½%		
Heritable & Gen. Trust	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.25%, 1 month 7.00%. Fixed rate 12 months £2,500 8.75% £10,000, 12 months 9.00%.
† 7-day deposits on sums of under £10,000 6¼%, £10,000 up to £50,000 7¼%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6¼%.
‖ 21-day deposits over £1,000 7¼%.
§ Demand deposits 6%.
¶ Mortgage base rate.

Sharp fall in building society receipts

By Margaret Hughes

BUILDING SOCIETIES suffered a greater fall tban expected in tbe inflow of funds from savers during November, largely due to the withdrawal of funds to huy British Telecom shares.

Figures released yesterday by tbe Building Societies' Association showed net receipts down to their second lowest level this year. At £363m tbe November Inflow was less than a third of October's record £1.12bn.

However, societies exoect some money to he re-deposited tbis montb because the rationing of BT sbares bas meant that many applicants bave been allocated fewer shares tban tbey applied for. Societies estimato that they lost some £500m to the BT offer in November.

Other factors affecting the inflow of funds include the *reduction in interest rates* paid to investors announced in mid-November and the impact of maturiog term shares.

that the huild-up of receipts

The BSA also pointed out in Octoher reflected the "parking" of funds hy Investors in readiness for tbe BT flotation. It expects some recovery in Inflow this month in spite of withdrawals for Christmas shopping.

Societies also made less use of the wholesale sources of funds last month, raising only £97m through certificates of deposit and negotiable bonds.

This reflects the fact that they bave in recent months been attracting more funds than they can lend in mortgages, althougb in November liquidity declined 0.3 points to 17.6 per cent.

Mortgage lending remained fairly static at £2.06bn In November, hut the level of new commitments — loans promised bnt not yet advanced—fell slightly to £1.92hn.

The BSA also reported a levelling in house prices. The average Ocloher price of £31,152 was little changed on tbe May average of £31,082, and 6.1 per cent bigher than Octnhcr 1983.

Danger of party rift says Brittan

By Margaret van Hattem, Political Correspondent

MR LEON BRITTAN, Home Secretary, conceded yesterday in the wake of the Southgate by-electinn that communication hetween the Government and its supporters might not be as good as it should he.

The by-electinn in one of the Tories' safest London seats on Thursday nigbt saw the Government's majority cut from nearly 16,000 at the General Election to 4,711.

Mr Michael Portillo held the seat for the Tories with just under 50 per cent of the vote; Mr Tim Slack of the Liberal/Alliance came second, increasing his party's sbare of the vote from 23.4 per cent to 35.6 per cent; Mr Peter Hamid, fur Labonr, was third with 11.9 per cent, down from 17.9 per cent, and lost his deposit.

MPs yesterday, agreed that no party had any caose for rejoicing. The Tories appeared relieved to have held the seat in the face of strong Liberal challenge. The Liberals were disappointed not to have repeated their success in the Portsmouth South *by-election*, when tbey captured a Tory seat. Labour, whose expectations were modest from the outset, did even worse than expected.

Speaking on the Channel 4 television programme, A Week in Politics, Mr Brittan admitted there was a danger, when a Government had been in power for 5½ years, that it might fail to respond to its supporters.

"I think that governmeots have got to learn, and I think that we have learned and will learn," he said.

Also on the programme was Mr Marcus Fox, Tory MP for Shipley and vice-chairman of the 1922 Committee nf Tory backbenchers. He accused ministers of "cnmplacency and arrogance."

Mr Brittan denied tbis.

Mr David Steel, Liberal leader, yesterday hailed the result as "a very, very good result for the Alliance," and added: "We have elbowed Labour out of the way."

Mr Michael Meacher, Labour social services spokesman, admitted it was "not a good result for Labour."

Enfield—Southgate results: M. Portillo (Con) 16,684; T. Slack (Lib) 11,973; W. E. (Peter) Hamid (Lab) 4,000; H. M. Anscombe (Death off Roads, Freight on Rail) 45; I. L. Burges (Abolish Greater London, Restore Middlesex Shire) 50; W. Kershaw (Nationalist) 80; A. Polydorou (Turkish Trops out of Cyprus) 687 R. E. Shenton (English Nationalist) 78 G. Weiss (Captain Rainbow's Universal Party) 48. Con majority, 4,711 turnout, 50.66 per cent.

BATTLE FOR POWELL DUFFRYN

Hanson's slow bid recipe comes to the boil

BY RAY MAUGHAN AND IAN RODGER

LIKE SO many other deals launched by Hanson Trust, the bid for Powell Duffryn has been cooking a long time. London Brick, for example, Hanson's last major UK acquisition, had had at least two months after the first shareholding disclosure to prepare against the inevitable offer.

Similarly, the feasibility of bidding for UDS Group had been across Lord Hanson's desk many timse before that offer was launched in February 1983.

In this iostance, Hanson first disclosed a 4.48 per cent holding estake in PD last January and a block of PD shares had been sitting in Hanson's dealing portfolio sinee July last year.

Several big and poteotially strategic holdings are traded through that portfolio. This year alooe, the stock market has been discussing the real possihility that Hanson has taken stakes in Distillers, Tate & Lyle and Coats Patoos, the textiles group, to name hut three. Charter Consolidated, fairly well locked up by the 36 per centstake held by Minorco, is another group where Hanson bas taken an option.

The chance that Hanson would g oafter PD appeared to shorten earlier this year wben PD group parted company with its long standing broker, Hoare Govett. Hoare is Hanson's hroker, too, and its leading corporale aod instituitonal partners, Mr Richard Westmacott and Mr Peter Meinertzhagen, have plotted many stock market coups for Lord Hanson. Their influeace was, oerhaps, mosi felt when the firm raided London Brick to take 29.9 per cent for Hanson just as that take-over hid seemed poised on a knife edge.

The transfer took PD off to Rowe and Pitman, the broking firm which is most closely linked, incidentally, to Charter. It is a moot point whether Hoare Govett or Rowe aod Pitman is the more effective corporate broker.

To say that none of Hanson's activities or bid targets are anything other than low or medium technology businesses has become something of a cliche, a well aired fact of corporate life.

It may be more pertinent to suggest that the targets are all mature, cash generative businesses which, through outside circumstances or management failings, have been on an earnings plateau or worse.

UDS Group, the retailer, was a good case in point and from the experience of the snbsequent stores disposals, Hanson has a finely judged belief that the sum of the parts of most big companies are worth more than the total.

London Brick was as mature and "low tech" as any of Hanson's recent capture, but it is worth remembering that Hanson's £247m cash bid for Britaio's monopoly fletton brick manufacturer was in danger of missiog that point in the construction cycle when London Brick *was* most vulnerable.

The target could forecast strong growth, and big dividend rises, so Hanson was obliged for the first time to shift its bid terms twice.

Although forced to counter a "white knight" offer from Thomas Tilling in the scrap for what is no wcalled British Ever Ready, Hanson was exercising a judgement that it could restore a business which, if not terminal, was fast declining. The imposition of tight cost control, sharply iocentivised professional line management, and a pointed market. But they are illustrated most clearly in Ever Ready's revival in the UK battery marketing campaign are a feature of everything Hanson touches.

These oft-tried business principles underpin Hanson's assertion that it can squeeze better returns from PD. There is little or no commercial logic behind the deal and no reason, on competitive grounds, for PD to shelter behind the Monopolies Commission's skirts.

PD has heen hrought low by the NUM dispute just as Charter's own mining equipment subsidiaries have been affected by the dearth of NCB orders. So Hanson is using opportunity to dictate the timing and direction of yet another big corporate battle. Nobody would expect Hanson to do otherwise.

This deal, however, is offering only equity: few would write off the possibility that one of Britain's most active conglomerates is preserving its power, its £450m gross cash resources, and its considerable horrowing powers to pursue one of the really big prizes.

However, PD's management's major efforts at rationalisation and cost cutting appear to be on the verge of producing a significant improvement in profits.

The company's roots go back to the mid-19th century in the South Wales coalfields, when the Powell family put together a chain of collieries. By 1946, it was the largest independent coal company in the UK, with [illegible] collieries io South Wales.

Along the way, [illegible] had acquired Stephenson Clarke in 1928, a transportation company with a fleet of ships and railway wagons that could be used for moving its coal to markets.

The nationalisation of the coal industry in 1947 took away the group's core and the subsequent 20 years were spent in reorientating the remaining businesses and diversifying into new areas.

The most notable achievements bave been [illegible] Stephenson Clarke into the market leader in European short haul bulk carrier shipping [illegible] shipping accounted for [illegible] trades and the acquisition of Hamworthy, the world leader in marine pumps, in 1962. [illegible] cent of PD's £26.3m in [illegible] profits. The engineering division, dominated by Hamworthy, contributed a tenth of the [illegible] ing profits.

Antigua airline to buy BAe super 748

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ALTERNATIVE finance has now been found to enable Leeward Islands Air Transport, the Caribbean airlioe based on Antingua, to buy its new Britisb Aerospace Super 748 twin-turbo-propellor airlines it wants.

The airline had been denied EEC funds for re-equipment plans, wben the EEC argued that its money could be left to Liat only for purchase of the Franco-Italian ATR-2 — an airliner Liat did not and still does not want.

The Caribbean Development Bank has now been able to arrange with Citibank of the U.S. a 12-year scheme to enable Liat to lease-purcbase two BAe Super 748s, worth $10m, for immediate delivery next from the UK.

Eventually, the Caribbean Devolpment Bank's own Special Resource Fund is expected to provide cash to enable the aircraft to be bought from Citibank.

The two Super 748s will meet the airline's immediate expansion plans. Yet Liat is also understood to be discussing with tbe Canadian Government a longer-term plan for purchasing a oumber of de Havilland Canada Dash 8 twin-turbo propellor airliners.

The airline is also keeping open its communications with the EEC, against the possihility of evcotually gainiog some finance fro mthe Commission for some later aircraft purchases. However, Liat remains adamant that it does not want the ATR-42, hecause that aircraft is not yet available, and is not suitable.

P.O. in facsimile venture

BY GEOFFREY CHARLISH

THE UK's 200.00 personal busines computer users will be able to send text to almost anyone in the UK and many other countries using a facsimile-based system to be introduced by the Post Office early nets year.

Available initially for IBM, Sirius and Apricot personal computers, software deæloped by ATS Digisoft of London will enahle text to be typed in the normal way on screen and keyhoard, edited, addressed and transmitted to a Post Office centre.

Software is being developed for mainframe and minicomputer user terminals, opening the service to at least another 200,000 users, according to the Post Office.

If the address is one of the 20,000 or so facsimile machine owners, the text will be reproduced within minutes. However, in most cases it will be sent to one of 113 Post Office regional Intelpost centres, reproduced on a facsimile receiver and delivered by motorcycle within two hours in most cases.

The service is priced on a lineage basis,

Powering ahead of competition

Robin Reeves on a Japanese battery maker's success in South Wales

IT IS a little unusual to hear it from a Japanese executive of 75, but Mr K. Morita, managing director of Yuasa Battery UK, makes no bones about his ambition for the company. "Our strategy is quite simple—to beat our own Japanese competitors."

Since arriving three years ago, to establish Yuasa's European manufacturing plant in Ebbw Vale, South Wales, Mr Morita has become involved with the industrial aspirations of a Welsh valley's community seeking to rebuild a more secure economic base in the wake of major steel redundancies.

He says that he can also better appreciate European attitudes to Japanese industrial competition. But as far as Yuasa Battery UK is concerned, he is determined to win.

This ambition is proving to be no pipedream. Since October 1982, when the Ebbw Vale facility went into production assembling 5,000 batteries a month for the European market, output has risen by leaps and bounds to its present level of about 80,000 units a month from two production lines.

The company is securely established as an almost wholly integrated manufacturing operation, with 85 per cent of materials procured from UK sources. Mr Morita says productivity in some processing areas of the Ebbw Vale plant has moved ahead of Yuasa's Japanese parent factory, though it has still to reach the latter's overall average performance.

The 150-strong Ebbw Vale workforce is young (average age 23) and all male because of the dangers of lead in the bloodstream for pregnant women. It has enthusiastically embraced the full range of productivity-boosting measures for which Japanese manufacturing industry is justly well-known—regular discussions of problems, on-line monitoring of quality (which in Yuasa's case has cut the number of returned, defective batteries to 20 in 1m) productivity bonuses, competition between shifts and targets performances for individual processes.

Quality circles at the plant have yielded more than 300 ideas for improving operating efficiency and 130 of them have been implemented. A number have been taken on board by Yuasa's sister plant in Japan.

Such is the momentum, that Mr Morita is confident that the Welsh plant can soon overtake its parent. "Our costs are the same. Providing we achieve the same productivity, we must win, because we are running three shifts compared with the Japanese plant's one."

Ebbw Vale is in the process of expanding production still further. A £1m manufacturing line is under construction—bringing total investment at the site to £8m—to meet what has become a rapidly expanding demand for the company's range of new generation, sealed lead-acid batteries.

The traditional outlet for the company's product has been in fire and burglar alarms. The battery is so designed that the gases normally given off by the lead-acid reaction are re-absorbed. It does not need additional water during its five year guaranteed life.

Being a sealed battery, it combines the advantages of the dry cell power unit—easy handling and acceptability in most environments—with the long life and rechargability of the traditional lead-acid battery. As such, it is being used in an increasing range of applications in computers, communications and medical and portable equipment fields.

According to Mr Colin Harrison, managing director of Yuasa's UK sales company based at Swindon, the British market for sealed lead-acid batteries is growing at about 20 per cent a year and Yuasa, he claims, has captured a share approaching 50 per cent.

At the same time, some 55 per cent of Ebbw Vale's output is being exported to the Continent, where Yuasa claims to have a 20 per cent market share.

Moreover, the competition with Yuasa Japan is by no means confined to manufacturing. Ebbw Vale is particularly pleased to have recently persuaded some of Yuasa's leading Italian customers to switch to buying the Welsh product in preference to importing from Japan.

Tarmac consolidates its block making

BY JOAN GRAY, CONSTRUCTION CORRESPONDENT

TARMAC has launched a new block-making company—Topblock—to consolidate its existing concrete block manufacturing activities into a single national organisation.

The move is part of Tarmac's policy of expanding into manufacturing value added products to complement its basic sand, gravel and stone quarrying business.

Tarmac has invested £30m in setting up Topblock, which will start trading on January 1. The company will bring together all Tarmac's block-making interests, including its two main acquisitions last year, Hemelite and Lignacite.

Topblock has 19 block-making works, producing 7m square metres of blocks a year—about 10 per cent of the £300m a year UK concrete block market.

It is planned to invest a further £30m over the next three years to increase output to 15m square metres of blocks a year and increase its market share to between 20 and 25 per cent of the UK market.

"We want to become a national company with works no more than 40 miles from anywhere," said Eddie Dore, Topblock sales director.

The company aimed to fill gaps where its block manufacturing was weak by adding works in East Anglia, South Wales, the areas north of Gloucester and north of Sheffield, and in Scotland.

That would be achieved by a combination of acquisition — Topblock was looking for small block makers to buy — and by setting up block-making plants on greenfield sites. The company's planned expansion would produce between 500 and 600 extra jobs on top of acquisitions," said Mr Dore.

It helped to increase its block sales, even though it was tied to a housebuilding cycle in which the number of new houses started was declining, increasing market share and by promoting new products such as its Unitherm insulted block and patented strengthened foundation blocks, which competed with traditional building methods.

It also wanted to enter new sectors of the block market.

Topblock does not make the aerated concrete blocks which account for 30 per cent of the UK market, but it is investigating the possibility of entering that sector by acquiring.

Tube fire costs may reach £2m

REOPENING THE Victoria and Bakerloo line platforms at Oxford Circus underground station following last month's fire could cost between £1m and £2m, Mrs Lynda Chalker, Transport Minister of State said yesterday.

London Regional Transport was not yet able to give a firm estimate of the repair costs, she said in a Commons written reply.

Judgment on GLC claim reserved

THE GLC must wait until the new year for the outcome of its High Court case against a demand from the Department of Transport for more than £281m towards running London's public transport.

The GLC claims the demand is unlawful and exceeds the powers of Mr Nicholas Ridley, the Transport Secretary. Mr Justice McNeill has reserved his judgment and is expected to give his decision in January.

Steel monthly output at 316,800 tonnes

STEEL OUTPUT in Britain averaged 316,800 tonnes a week in November compared with 319,300 tonnes in October, and was 3 per cent higher than in November 1983.

In the first 11 months of 1984, production averaged 294,800 tonnes a week, 1 per cent above the 291,900 tonnes in the same period last year, according to the British Steel Corporation and the British Independent Steel Producers' Association.

Latest posting date for Christmas

THE Post Office yesterday reminded customers that Monday December 17 is the latest recommended date for posting inland parcels and second class letters and cards to arrive in time for Christmas. First class items should be posted by Wednesday, December 19.

Duty-free shop for Luton Airport

LUTON AIRPORT, Britain's largest airport for charter flights is to have a duty-free shop.

Luton council has approved a £500,000 shop and work should be completed by the summer.

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Vosper directors intend to mount bid for yard

BY IAN RODGER

THE DIRECTORS of Vosper Thornycroft have joined the bandwagon of British Shipbuilders' warship yard managers wanting to buy their yards.

They said yesterday they intended to mount a bid to purchase the company, one of seven BS warship yards scheduled to be privatised in the next 15 months.

Earlier this week the managers of Yarrow Shipbuilders on the Clyde and Hall Russell at Aberdeen said they were attempting to mount a combined employee buyout. Last month the directors of Swan Hunter on Tyneside indicated they would like to make a bid for their yard.

Serious negotiations are already under way with the managers of Brooke Marine, based at Lowestoft and the smallest of the warship yards with a view to a buyout.

It remains to be seen if the managements at the two remaining yards, iVckers at Barrow and Cammell Laird on eMrseyside, make bids.

Vickers is by far the largest of the seven yards with turnover last year of £227m. It is also heavily involved in the controversial Trident nuclear programme. As for Cammell Laird, its future has been put in doubt by the goodwill lost during a sit-in this year that delayed delivery of two vessels.

The Vosper directors gave no details of their proposed bid, but indicated that it would not, at the outset, involve employees. "It is expected that in the event of a successful bid, the directors would wish subsequently to widen employee participation to all who wish to become involved," they said.

It is not yet possible for them to make a formal bid because, as in the case of Swan Hunter, BS has not yet publisbed a prospectus detailing the company's latest financial position and prospects. Vosper's turnover in the yea rto March 31, 1984 was £81m and it had a trading profit of £2.7m. Net assets at March 31, 1983 stood at £25.4m. It recently announced 750 redundancies among its 4,000-strong workforce.

Vosper has yards at Porchester and Woolston near Southampton and makes frigates, minesweepers, patrol boats aod ferries.

BMA stands by drugs bill letter

By Lisa Wood

THE Britsh Medical Association yesterday declined a request by Mr Kenneth Clarke, the Health Minister, to withdraw a letter it sent to doctors concerning Government proposals to cut the National Health Service drugs bill.

On Thursday, Mr Clarke expressed concern at the "misleading way" the BMA had represented his proposals, on limiting the number of medicines, including brand-named drugs, available through the NHS. The proposals are designed to save £100m on the £1.4bn annual NHS drugs bill.

The BMA said yesterday: 'We are not going to withdraw the letter and doctors have oot been misled."

The association said a letter sent to doctors yesterday by Dr Donald Acheson, chief medical officer at the Departmeot of Health, explaining the details of the Government's proposals, had not affected its decision not to withdraw tbe letter.

Dr Acheson's letter said that "some misunderstandings have already arisen" over the Government's proposals.

The provisional list of drugs to be retained for NHS prescription after April 1 1985 was simply a basis for discussions with the professions and the pharmaceutical industry. The purpose was to establish a final list of effective generic drugs sufficient to meet all clinical needs.

Reassurances on the continuing availability of certain classes of medicines are given in the letter. It also points out that GPs will be able to prescribe medicines no longer available under the NHS through private prescriptions. In most cases, he said, preparations no longer available under the NHS could be obtained by the patient over the chemist's counter.

Motor after-sales concerns join forces to promote industry

BY JOHN GRIFFITHS

NEARLY 130 smaller companies in the UK's vast but fragmented motor after-sales industry have joined forces to promote their sector.

The Impact group, made up of companies with a combined turnover approaching £200m, is to mount its first exhibition next month. It is aimed particularly at winning export business.

The group is also investigating thet potential for shared cost-saving measures, such as the joint purchase of general supplies, printing, insurance and freight.

It started as an informal discussion forum among a handful of replacement parts and accessories manufacturers nearly four years ago. This year, it has grown swiftly as pressures on the industry overall have mounted.

With no growth expected in the UK or most European markets and margins compressed as the result of extremely fierce competition, the need for co-operation among smaller producers to cut costs and mount a cohesive attack on overseas markets has become considerable, according to Mr Peter Eva, the group's first chairman.

Impact sees overseas markets as the only growth area in the foreseeable future.

The group excludes the large participants in the after-sales market such as BL's Unipart, which has a turnover of about £350m.

Most of the business of companies like Unipart and GKN involved the supply of original equipment to vehicle manufacturers in contrast to the smaller companies who were concerned mainly with the do-it-yourself, retail after-sales market, Mr Eva said.

Excluding the majors, the Impact group now included about 80 per cent of companies operating in the after sales market measured by turnover.

The estimate, however, was imprecise, with hundreds of small companies remaining outside the group's net.

Even the Monopolies and Mergers Commission, investigating the replacement parts business two years ago, was unable to come up with a precise definition of its size.

t concluded that there could be up to 2,000 companies in the parts and accessories sector, with total UK sales in 1981 of about £2bo. But the majority of this market is accounted for by original equipment supplies and it was unable to identify the precise share taken by after-sales.

AA urges company car crash log

By Kenneth Gooding, Motor Industry Correspondent

THE HEALTH and Safety Executive should make it compulsory for organisations to log accidents involving company car drivers as is the case for other forms of accident at the workplace, the Antomobile Association says.

Company car drivers are at least one tbird more likely to make an insurance claim than tbe average domestic driver, but tbat could be changed if more training was given, it says.

According to the associations magazine, Drive, Motor Indnstry Research Borean statistics show that the average owner-driver covering 8,500 miles a year makes an insurance claim every six years; company-plus-pleasure drivers covering 20,000 miles claim once every 4½ years; and commercial drivers covering 30,00 miles claim once every three years.

The association quotes the Royal Society for the Prevention of Accidents as stating tbat a company with a fleet of 30 vehicles would have to find about £4,000 initially for in-vehicle training, a defensive driving course and a national safe-driving award scheme for all drivers.

Over three years, the cost of the scheme wonld be £5,200, but the company sbould be able to make gros savings of more than £64,000 during that time.

The Conoco oil group has balved the accident rate among its drivers by putting tbem tbrough RoSPA and Institute of Advanced Motorists' conrses.

The cost was 78p a week per driver or a total of £19,225 a year for all the drivers and the company calcnlated that it bad saved £1m in 10 years

Short list for phone networks

By Jason Crisp

INTERNATIONAL competition to supply Britain with advanced digital exchanges for new elecommunications networks has increased due to decisions by Mercury and British Telecom.

Mercury, which is building a telephone network to compete with British Telecom, has short listed suppliers to provide its first exchanges. They are: Thorn-Ericsson, a joint-venture between Thorn EMI and LM Ericsson of Sweden; Standard Telephones and Cables; Northern Telecom; and Italcom, an Italian consortium including Italtel and GTE.

British Telecom has short-listed three companies for a network to provide special services such as a dialled version of Freefone, similar to the U.S. System 800. It has chosen the same three companies it recently shortlisted to supply a second system for the main telephone network — Northern Telecom, Thorn Ericsson and AT & T Philips.

Its decision is a blow to CIT-Alcatel of France, which once hoped to win the contract as part of a reciprocol trade deal with Britain. This week, M Jacques Dondoux, director-general of the French state telecommunications administration, attacked British Telecom for not choosing an EEC-based supplier for its second system.

The bidding to supply both Mercury and British Telecom is particularly fierce because Britain is one of the first European countries to open its exchange business to competition and there is a considerable potential for further orders.

Most of British Telecom's telephone exchange requirements are likely to be met by System X, made by Plessey and GEC, but it is expected to order from a second supplier between 10 and 20 per cent of its needs, which would be worth several hundred million pounds.

It would not comment, but industry sources believe that it has chosen the same three suppliers because it wants to avoid having three types of digital exchange.

Lords bars Barratt's tax relief claim on homes

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE HOUSE of Lords has barred a claim by Barratt Developments (Luton) for tax relief on customers' homes accepted as part-payment for Barratt houses.

Five Law Lords unanimously allowed an Inland Revenue appeal against High Court and tax commissioners' rulings in favour of the company.

Lord Keith of Kinkel said Barratt had found that potential buyers often had difficulty selling their homes to raise the money to buy from Barratt.

The company therefore started to accept customers' properties in satisfction (or part satisfaction) of the purchase price. These properties were sold in their existing condition as soon as possible.

In June 1979, Barratt claimed stock relief on five such properties under the 1976 Finance Act. This entitles a company to corporation tax relief where the value of its trading stock at the end of an accounting period exceeds its value at the beginning of the period.

Trading stock was defined as, "property . . . sold in the ordinary course of the trade" except for "land, other than such as is ordinarily sold in the course of the trade . . . after being developed by the person carrying on the trade."

The Law Lords accepted the Inland Revenue's argument that, although the properties fell within the first part of the definition, they were excluded by the second, since they were not land sold after being developed by Barratt.

Nissan job for ex-Ford manager

BY OUR MOTOR INDUSTRY CORRESPONDENT

NISSAN has filled anothe top position at its UK assembly plant with the appointment of a former Ford of Europe executive as director of purchasing and production control.

He is Mr Ian Gibson, 37, whose responsibilities will include procurring European parts and components for the 24,000 Japanese car kits a year which Nissan will assemble at its plant coming on stream next year at Washington, Tyne and Wear.

This will become a more important part of his work if Nissan decides to move to a second stage and produce 100,000 cars a year with a European content of 60 per cent, moving quickly to 80 per cent.

Mr Gibson held personnel and manufacturing posts with Ford in Britain and West Germany. He was general manufacturing manager at the Saarlouis factory in Germany before becoming programme manager for the Escort and Orion car ranges.

He is a graduate of Manchester University with a degree in applied physics.

There are two other British directors. Mr Peter Wickens, who joined Nissan from British Gas as personnel director, and Mr John Cusnaghan, formerly manufacturing manager at Austin Rover's Cowley plant, who is production director.

Managing director of the Washington plant is Mr Toshiaki Tsuchinya. The directors of engineering, deign, finance and quality assurance are all Japanese.

● Honda is recalling 327,000 models produced between August 1981 and August 1982 for a check on possible wiring defects.

The worldwide voluntary recall involves the Accord and Vigor models.

Only the Accord has been sold in the UK, where about 10,000 will be involved in the recall.

... The defect query involves a wiring link between generator and battery. In some circumstances heat build-up can cause the plastic covering of the wiring to melt, Mr John hitsed, advertising and promotions manager of Honda UK, said yesterday.

A fault has been uncovered "in a few isolated cases," said Mr Whitsed.

Attack on 'Costa del Dole'

BY IVOR OWEN

LANDLORDS in seaside resorts woh have sought to profit from attracting homeless young people whose accommodaton is paid for by the taxpayer were condemned by Mr Ray Whitney, Under-Secretary for Social Security, in the Commons yesterday.

He refered to an advertisement which said: "On the DHSS, living in poor conditions? Why not live by the seat at Margate?"

Mr Whitney said the Government was determined to end such practices as part of its drive to cut expenditure arising from young people, mostly under the age of 25, who chose to enter the homeless category in order to live on what had become known as the "Costa del Dole."

Mr Michael Meacher, Labour's social services spokesman attacked the proposed restrictions, due to come into force in April and expected to save £70m a year.

He said they would increase homelessness, divide families, and worsen the living conditions of some of the poorest, most vulnerable members of society.

Economic policy criticised

BY ROBIN REEVES

A BITTER ATTACK on the Government's economic policies was delivered by Mr Ivor Richard, the outgoing EEC social affairs Commissioner, in a valedictory speech in Cardiff yesterday.

Accusing the Government of ignoring the practical consequences of its eager pursuit of a dubious free market ideology, Mr Richard warned: "If present policies are continued, unemployment will continue to rise in the UK and Mrs Thatcher will turn places like Wales into an economic and emploment wilderness."

It was "absurd," he said, for Mr Nigel Lawson, the Chancellor, to claim that the Government had no role to play in reducing unemployment.

ECONOMIC DIARY

TODAY: Mr Mikhail Gorbachev, senior Soviet Politburo member, starts UK visit (to December 22).

TOMORROW: Mc Gorbachev meets Mrs Margaret Thatcher at Chequers. Department for National Savings monthly progress report for November.

MONDAY: Mrs Thatcher leaves for visit to China and Hong Kong (to December 23). Mr Gorbachev meets Sir Geoffrey Howe, Foreign Secretary. World Environment summit, Lancaster House. EEC Foreign Ministers start two-day meeting, Brussels. November cyclical indicators for the UK economy. CBI monthly trends survey for December. EEC Industry/Steel Council meets, Brussels.

TUESDAY: EEC Internal Market Council meets, Brussels. OPEC market monitoring committee meets, Geneva. Local authorities manual workers pay talks (employers reply to claim). Viscount Whitelaw speaks at American Chamber of Commerce lunch, Londoo. Public sector borrowing requirement for November.

WEDNESDAY: House of Commons Trade and Industry report on wealth of waste published. EEC Research Council meets, Brussels. Mrs Thatcher signs Hong Kong agreement with China in Peking. OPEC Oil Ministers conference, Geneva. October provisional average earnings indices: employment hours and unit wage costs. New construction orders for October.

THURSDAY: Distillers Group interim results. Nottinghamshire NUM area council votes on moves to divorce from Union's national executive. Third quarter provisional figures for gross domestic product. CBI/FT survey of distributive trades. UK bank assets and liabilities and the money stock for mid-November. London sterling certificates of deposit (November). Third quarter figures for UK banking sector statistics: financing of the central government borrowing requirement; and the money stock.

FRIDAY: OECD world economic outlook publisbed, Paris. House of Commons recess (to January 9). Balance of payments current account and overseas trade figures for November. Sales and orders in the engineering industries in September.

Union members at GCHQ 'pressured' on pay talks

BY DAVID BRINDLE, LABOUR STAFF

DISCLOSURE of the involvement of trade union mebers in pay negotiations at Government Communications Headquarters at Cheltenham has prompted a crackdown by the management, according to union leaders.

Of the three trade unionists elected to a five-strong pay committee in defiance of the GCHQ union ban, one has stepped down and the two others have given assurances that they will resign from the Civil Service Union.

Union leaders maintain that the three men were subjected to strong pressure by managers at the GCHQ signals and intelligence gathering centre after the union role was made public in press reports earlier this week.

Mr John Sheldon, general secretary of the CSU, said last night: "The management have acted like bullies by putting pressure on union members who were elected because they were the best and most experienced people to do the job."

The involvement of the union members in negotiating a pay claim for about 150 communications and cypher officers was first reported on Wednesday after Treasury officials had apparently agreed to an initial meeting on the claim.

The five-member pay committee was elected by the 150 officers at Cheltenham and certain out-stations in the vacuum created by the union ban. The staff asociation envisaged by the Government has yet to get off the ground.

Union leaders say that the member who withdrew from the committee after being summoned to meet managers on Wednesday had topped the poll in the election with 89 per cent of all votes cast.

The GCHQ management said yesterday that the individual was one of those seeking a transfer to another Civil Service post. He had withdrawn from the pay team, "so any further progress on talks should not be jeopardised."

There was no reason why the pay talks should not continue with the remaining four staff and one replacement, the management said, as they had all given assurances since Wednesday that they "would not be in breach of any undertakings thatthey have given."

This reference is taken to mean that the other two union members, who had left the CSU because of the ban and then rejoined, have said they will resign again in order to stay on the pay team.

Mr Sheldon said the episode indicated that the GCHQ management was "panicking." Being unable to prevent staff still looking to union activists for leadership, it was resorting to unfair coercion, which was further damaging morale and security at GCHQ.

'Divide and conquer' tactic adopted

By Our Law Courts Correspondent

WORKING MINERS trying to make the members of the National Union of Mineworkers' national executive personally liable for the union's £200,000 contempt of court fine, are adopting a "divide and conquer" tactic.

The High Court was told yesterday that no temporary orders would be sought against four moderates on the national executive committee — although for the moment, at least, they are still being held liable to pay all or part of the fine.

It is understood that the working miners' solicitors have written to Seifert Sedley, representing the bulk of the executive, suggesting that the interests of all of Seifert Sedley's clients may not be the same and that it might be proper for some to be separately represented.

Soon after the action was started last month it was learned that four executive members—Mr Trevor Bell, general secretary of the white collar branch, Cosa, Mr Ken Toon (South Derbyshire), Mr Jack Jones (Leicestershire) and Mr Ted McKay (North Wales) had each decided to instruct solicitors themselves.

Mr David Oliver, counsel for Mr Colin Clarke and the 15 other working miners bringing the case, told Mr Justice Scott yesterday that an application for a temporary order stopping the executive doing anything that might bring the union into further contempt would not be pursued against Mr Bell, Mr Toon, Mr Jones and Mr McKay.

That was because of assurances the four had given in their evidence, and in the light of the fact that, contrary to what had been said at the time, an NEC statement on October 1 that the strike was official, had not had the unanimous backing of the executive members.

The case will resume next Wednesday.

● A fresh election to choose the power group's representative on the NUM executive is to be held in the next month, the High Court was told yesterday.

The group's undertaking to hold an election by January 15 was part of an agreement that ended legal action by Mr Terence Carr, the unsuccessful candidate in an election to replace Mr Roy Ottey, the power group's previous NEC member, who recently resigned in protest about the way the strike was being conducted.

Raymond Hughes on the ruling over action against three NUM leaders

The hard case which could make a good law

A HIGH COURT judge yesterday refused to make an immediate order that three leaders of the Derbyshire area of the National Union of Mineworkers personally repay £1.7m of area funds spent on the strike.

Although the strike payments were an unlawful misapplication of union funds, the three leaders—Mr Austen Fairest, the president, Mr Gordon Butler, the secretary, and Mr John Burroughs, the treasurer, had honestly believed they had the power to make them, said Mr Justice Vinelott.

Enforcement of an immediate order against the three might "make it all the more difficult to heal the wounds which will have to be healed when this dispute is over."

However, in the most important judgment so far given in the mining dispute, the judge made a number of legal rulings in favour of the two Derbyshire miners who had sued the area union, which will have wide ramifications in the dispute and the court cases it has provoked.

The judge rejected a claim by Mr Roland Taylor and Mr David Roberts for immediate orders against the three area officers for repayment of £1,736,789 spent on the area strike.

The three officers may yet be ordered to repay the money when the full trial of the action comes before the court, sometime next year.

In the meantime, they remain bound by undertakings they gave to the court earlier not to allow further area money to be spent on the strike. The area union is bound by an injunction in the same terms.

Mr Justice Vinelott said the strike in Derbyshire had been declared unofficial by Mr Justice Nicholls on September 28. Mr Taylor and Mr Roberts argued that it was therefore, unlawful to spend union funds on the strike.

The judge said that any member was legally entitled to insist that union funds be used exclusively to further the union's constitutional objects, and to sue to stop the union acting beyond its lawful powers.

The question was: were the payments a misapplication of the Derbyshire funds?

As the union's rules expressly alowed payments to be made for picketing and the relief of hardship in an official strike, it could not consistently be claimed that such payments could be made in an unofficial strike.

It followed that:

● The payments were beyond the union's power.

● Mr Butler and Mr Burroughs who sanctioned the payments, were personally liable to reimburse the union.

● Mr Taylor and Mr Roberts, whose legal right to sue had been challenged by the union, were entitled to maintain their action.

● The misapplication of the funds could not be ratified by any majority of the members, however large.

"Should I therefore make the order sought? I have come to the conclusion that I should not," the judge said.

Although the payments could not be ratified, it would be open to a majority of the members to resolve that no action be taken to remedy the wrong done to the union. Such a resolution, if made in good faith, would bind the minority.

There was an impressive body of evidence from the union designed to establish that the overwhelming majority of members approved the payments. It must follow that they would probably not approve proceedings to recover the money from the officers.

The Derbyshire circumstances were wholly unprecedented, the judge said. When a ballot was held, there was a narrow margin against a strike.

Nonetheless, when the NUM and the Derbyshire area called for a strike—in flagrant breach of union rules — 85 per cent of the members obeyed the call and, even now, over 60 per cent were on strike.

"I cannot speculate as to the reasons why members, having voted against a strike, obeyed an instruction to go on strike—in particular, whether their conduct is to be explained by loyalty to the national or Derbyshire leaders, or to the picketing and violence that has ensued."

It was not in dispute, the judge said, that the payments had been made in the honest belief that the area union had power to make them. There was no question of a conscious breach of rules.

"I do not feel that, in these wholly exceptional circumstances, it would be safe to rule out entirely the possibility that a majority of the members may in the future be able, properly and lawfully, to take the view that it would not be in the interests of the union that the officers should be made personally liable.

"I see no immediate advantage to the union in obtaining a judgment, and perhaps taking steps to bankrupt these defendants. It seems to me that there must be a risk that enforcement of such a judgment would make it all the more difficult to heal the wounds which will have to be healed when this dispute is over."

"It will be said that this is a case where hard cases make bad law. My reply is that it sometimes happens that hard cases make good law, because they compel a radical re-examination of principles which, rigidly applied, lead to a result which is widely felt to be unjust."

Computer strikers 'should settle'

BY DAVID BRINDLE, LABOUR STAFF

NATIONAL union leaders yesterday againd eclared that they would not intensify the social security computer strike and that their members should prepare for a negotiated settlement.

The executive of the Civil and Public Services Association voted 12-6, with 10 others absent or abstaining, to tell the 330 strikers at the Newcastle upon Tyne and Washington computer centres that escalation of the dispute was "neither feasible nor possible."

Mr Alistair Graham, the union's general secretary, will again travel to Newcastle on Monday with the executive's reiterated message that the strikers should accept terms similar to those agreed to by two smaller unions.

Local leaders of the strikers will meet on Sunday night to shape their recommendation. They have defied the executive and urged continuation of the strike, and some of their members say they would be prepared to carry on even if dispute benefit was withdrawn by the union.

Mr Graham yesterdaiy failed to persuade the executive to set the strikers a time limit for negotiating a settlement—a move which would have implied an eventual cut in benefit.

His proposal for this was rejected 12-14. The resolution which was passed, however, is more strongly worded than anything previously carried on the issue by the executive, calling for immediate negotiations on a settlement based on a return to work.

As this was passed with only six votes against, the strikers were last night puzzling over what had happened to the votes of the remainder of the 13 executive members who are generally identified with Militant Tendency and with support for the dispute.

A third proposal, calling for escalating of the dispute into other Civil Service computer centres, was rejected by the executive. Both the strikers and their supporters at national level had argued that the only way to win the strike was to involve other members of the union.

The dispute, which started on May 12, is over shift payments at the Newcastle centre and has led to widespread disruption of pension and child benefit payments.

Framework for pit peace faces impasse

John Lloyd on the outcome of TUC talks with the Government

THE seven TUC leaders who went to meet Mr Peter Walker, the Energy Secretary yesterday, to propose fresh talks in the pit dispute got small change: they must have expected that. The central matter of importance, though, wasthe deployment by the TUC of a "framework" for negotiating an end to the dispute.

Mr Norman Willis, the TUC general secretary, opened the 90-minute meeting — also attended by Mr Tom King, the Employment Secretary, who took no part in the proceedings —by declaring that the "drift back" to work strategy had failed: the strike was remaining largely solid and would continue to be so: the striking miners had constructed a network of support which would sustain them.

The NUM, he said, had been told by Mr Ian MacGregor, the National Coal Board chairman, to concede in advance that they were willing to accept closures of uneconomic pits—but that was unreasonable. No negotiating partner made concessions in advance of talks. There was a need for reconciliation through negotiations: and while the Government and the NCB claimed the NUM were obdurate on the matter of no closures of uneconomic pits, the NUM took the reverse view—that the board and the Government were equally determined they must close.

Mr Willis then sketched in the TUC "framework" — while emphasising that he was not negotiating for the NUM, nor presenting the miners' position. He proposed that the demand made by Mr MacGregor on March 6 that the NCB's capacity be cut by 4m tonnes, be withdrawn, since it was no longer relevant in face of lost production of more than 70m tonnes: similarly, the five pits marked for closure should be kept open. These matters could be agreed by both parties.

The core issue of uneconomic pits should be set aside: instead, miners should return to work on the explicit understanding that a revised Plan for Coal be negotiated between the mining unions, the board and the Government by a target date. Mr Willis did not spell out the details which would be the stuff of negotiation: but implicit in this is the assumption that these discussions would attempt to define closures, and the rate at which closures took place.

This proposal builds on the existing clause 4 of the draft agreement, on which both the NCB and the NUM have submitted similar formulae. Clause 4 proposes discussions on a revised Plan for Coal; in the version submitted by the NCB to the last round of talks at the Advisory Conciliation and Arbitration Service, the board proposed that discussions on the plan, "will seek to identify the basis for jointly establishing a developing and expanding coal industry equipped to meet future energy requirements."

The TUC proposal is a radical one: the NUM has not dissented from it (it was not asked to approve it), but it clearly holds some dangers for it, as well as for the board. If a return to work takes place on the basis of the framework agreement, the obvious danger is that the NUM leadership could not again hope for a strike from weary and impoverished members, in the event of talks on a revised plan going badly.

There is a much larger stumbling block before such questions are even raised. Mr Walker put it baldly to the TUC leaders in their meeting. Neither the Government nor the board believe that the NUM leadership — Mr Walker insisted on personalising it on Mr Arthur Scargill, the NUM president — will shift on their refusal to countenance closure of uneconomic pits. Until they give some sign, the board will not talk.

The Energy Secretary told the union leaders that the offer to the miners was unparalleled in British industry: agreed with them that they both wished to see an expanding coal industry: stressed that no ballot had been held, that two of the three mining unions remained at work and that a third of the NUM members had not struck.

The core of his argument was, as he said later, that "the TUC had nothing to bring to this meeting in the way of suggesting a change in the NUM attitude."

Is the initiative dead? The TUC will meet the miners' leaders once again — probably on Monday, before the finance and general purposes committee meeting: it must put to them the impasse which now exists, and must probe again whether there exists any flexibility in the union's position. The TUC remains adamant that it is not in the job of putting an armlock on the NUM to make concessions: but if it does not, it is hard to see how the frozen situation which now exists may be thawed.

Higher pay rises forecast for 1985

BY BRIAN GROOM, LABOUR STAFF

HIGHER PAY rises for 1985 are forecast by Industrial Relations Services, a research company. The level of settlements began to rise this year for the first time since 1980, and the company sees no clear sign that the trend will stop.

It says: "Against a background of rising profitability, signs of greater militancy on the shopfloor and the Government's assessment that, at best, it can only hope to hold its own pay deals to last year's levels, it would seem rash to conclude that the upward drift has yet run its course."

In its Pay and Benefits Bulletin, to ebe published next week, the company warns of mounting industrial unrest. It foresses "widespread strike action in the public services next spring."

This seems at odds with the private views of public service union negotiators. Many believe that although there would be grounds for disputes because public sector pay rises are lagging behind the private sector, few groups apart from teachers are likely to take action.

The bulletin says pay deals were grouped around a 5 per cent median level at the start of this year, but have moved up to 6 per cent during the second half.

An important factor is that in the private sector "company profits, after reaching record levels in 1983, are continuing to scale new peaks in 1984 and are set for further advances in 1985."

Civil Service union votes against aid to miners

MEMBERS of the Civil and Public Services Association, the largest Civil Service union, have voted by about 7:2 against giving further donations or loans to the mineworkers' union, writes David Brindle.

The outcome of the ballot is doubly damaging to the miners' claims of rank and file support in other unions, because voting was conducted at special branch meetings, which are dominated by activists.

Leaders of the 182,000-strong CPSA opted to hold the national ballot after a previous donation by the national executive of £25,000 led to widespread protests and several thousand resignations.

Proposals rejected in the ballot, which closed yesterday, were for an interest-free loan of £100,000 to the miners' union and monthly donations of £5,000. Full details of the voting are expected next week.

The CPSA is the second leading white-collar union to show widespread grass-roots opposition to cash donations to the miners. In October, a special conference of the National and Local Government Officers' Association demonstrated such discontent that donations from Nalgo at national level have ceased.

Combined pay claim from 80,000 NHS members

BY OUR LABOUR STAFF

LEADERS of 80,000 white-collar workers in the National Health Service yesterday decided to submit a combined claim for pay increases this year covering both flat-rate and percentage rises.

A delegate conference in London of the National and Local Government Officer's Association approved a claim formulated by the union's national health committee for a flat rate increase of £8 a week, plus a percentage increase to take account of rises in both general earnings and inflation.

In addition, the claim will seek a restructuring of pay scales to take steps against what the union sees as low pay, a reduction in working hours and improved annual leave.

Ms Ada Maddocks, Nalgo's health staffs organising officer, said that the "chronic low pay" of Nalgo members in thet NHS — the union claims that two-thirds earn less than the TUC's current minimum wage target of £104 a week — was "morally and ethically indefensible."

About 200 Nalgo nursery nurses employed by Bolton council returned to work yesterday, ending a strike of more than seven months

The union said the nursery nurses had won a £6 a week rise, an additional lump sum payment of £345 each, and a promise of a continuing review.

THE WEEK IN THE MARKETS

It is really quite a party

LONDON

ONLOOKER

He sat there moaning over a glass of festive champagne. A dealer at one of the large brokers, he was bored stiff with the flood of small shareholders selling batches of a few hundred shares in Telecom. Well, some people are never happy, even when the commission level is ticking up like an off-licence till on Christmas Eve.

Small shareholders who had waited for their allotment letters found the offer of a large capital profit too tempting to resist and they were cashing in in their droves. On Wednesday the market had one of its busiest days for years with over 30,000 bargains. But the institutions were soaking up Telecom shares like a sponge and irrespective of the selling, the price kept climbing. By the end of the week sellers were talking of having doubled their original investment with the partly paid shares reaching a magical three figure number.

It all makes the Government's original pricing on the Issue look hopelessly wrong while the high-flying principle of developing wider share ownership seems to be disappearong under the weight of selling orders from the provinces. As for the fund managers who are willing to pay up to 100p for shares which had been offered at 50p they have little option.

As a fraternity they are obsessed with achieving the right weighting and unlike other sectors, where if you are underweight in one stock you can compensate by buying another, there is only one Telecom. Presumably the rise will not stop till the partly paid are comfortably over 100p, the institutions have filled their boots and thousands of individuals up and down the country are convinced that owning shares is a highly profitable pastime.

Pilkington's rights

Post Telecom the rigbls issue queue has awakened from its slumber. There has been a trickle of small cash calls throughout the last few days but one in particular stands out like a shining beacon — even if one whieh many City "environmental groups" would like to see removed.

Pilkington, the country's leading glass manufacturer, has called on its sbareholders for £105m of new equity with a one for four rigbts issue at 255p per share. It is the third largest rights issue this year but one which has encountered the most grudging of responses. Some of the remarks heard in the City are truly not fit to print. But what has Pilklugton done so wrong that it has been greeted with sucb adverse reaction?

The group pitched the cash call alongside some good figures (at long last). Pre-tax profits in the half year to September climbed by 72 per cent to £52.2m. And the management backs up the need for fresh money with the usual remarks about having spent heavily on acquisitions, mainly taking a 30 per cent stake in Libbey-Owens-Ford in the U.S., and the need for further purchases.

Indeed Pilkington even pinpoints the area where it wants to go shopping—the electro-optical industry in the U.S. This includes infra-red systems and night vision equipment for the defence industries. Defence orientated equipment may not be everyone's cup of tea but it is a growth area with some fat profit margins for those who get it right. On the face of it then Pilkington appearst o be backing up its casb call with all the usual "good" reasons that ensure shareholders willingly open their cheque books.

Yet there has been a pretty hostile response in the City. The reason is that Pilkington's balance sheet hardly needs fresh equity and its past trading performance does not justify shareholders investing more money. Year end borrowings stood at little more than a third of shareholders' funds while the interest charge was covered four times by profits. And since Pilkington last tackled its shareholders for money five years ago its earnings per share have been dismal—only recently are they picking up.

Those shareholders who have stuck with Pilkington through the lean times do not deserve to be rewarded with a cash call which will almost certainly result in further earnings dilution.

ICI splashes out

ICI has clinched its biggest acquisition for more than a decade with the agreed purchase of the chemicals division of the U.S.-based *Beatrice* group for £630m in cash. And not only for its sheer size is the purchase a critical one for Mr John Harvey-Jones, ICI's chairman. It is thenew management team's baptism of fire in buying companies and its future success is imperative if ICI is to maintain its newly won reputation in the States.

The acquisition was achieved against some hot competition from other international chemicals groups which had been talking to Beatrice ever since the U.S. group hung a "For Sale" sign over the chemicals business earlier this year. The price ICI has had to pay, equivalent to nineteen times the operation's forecast earnings, is on the high side but perhaps no more than could be expected for a speciality chemicals business held in high regard in the States.

The purchase may be a major step for ICI but it is also part of a developing trend in recent years as the group lessens its dependence upon the UK market. In the last decade £1bn has been invested in the U.S., taking in both acquisitions and capital expenditure on new plant. America now accounts for over a fifth of group sales and the addition of Beatrice Chemical could raise dollar turnover by a third to over the $2bn mark.

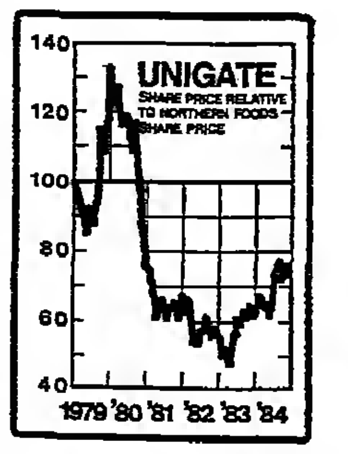
But more than just accelerating the shift of emphasis from sterling to dollar earnings, the latest acquisition significantly develops ICI's speciality chemicals division.

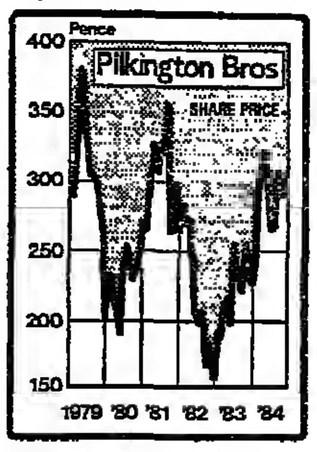
ICI's internal targets suggest an average growth rate for its latest addition in the region of 10 to 15 per cent at the earnings level, though in the good years it could be as high as 20 to 25 per cent. Assuming just a base 10 per cent, the acquisition should cover its financing costs in year one and while asset dilution looks inevitable—the $750m purchase price sets against the $155m book value on assets—the ICI balance sheet will still retain enough muscle to finance more acquisitions. Net liquidity at the end of September was £650m and there is little reason to suppose that Mr Harvey-Jones has foresaken his declared intention when he took up the chairman's seat at ICI that he would buy market share.

Less bottle

It has not been a particularly auspicious summer for either Northern Foods or Unigate. Both companies reported their half year figures to the end of September this week. At Northern profits slipped by £0.6m to £27m pre-tax while Unigate moved forward by £2.3m to £23.6m.

In both cases the UK dairy divisions experienced lower profits. A large part of the problem was that both companies saw the price they pay totbe Milk Marketing Board for liquid milk raised in March but the retail price increase delayed until the beginning of June. That short term feature aside both groups have to live with the prospect of a long term





gradual decline in demand for liquid milk.

The real test for the dairy sector comes next year when the system of Government control over milk prices is finally dismantled. The aftermath of that event is a great unknown for all the companies involved and has occasiooed bouts of nervousness in the equity market in the past.

To an extent the shape of the industry supplying liquid milk to the consumer in a few years' time is not within the hands of companies such as Unigate and Northern. The willingness of retail groups such as Tesco to use the "daily pinta" as a marketing tool will be what ultimately determines the fate of the float.

Both companies have, of course, used the strong cash flows from their dairy divisions to spread into other food areas by acquisition. Northern acted earlier and has thus gone further down this route. Its dairy products probably account little more than a third of group operating profits and, within that, liquid milk and other dairy products (man yshowing good growth) are split roughly 50:50.

Unigate, however, still has about half its operating profits flowing from the dairy division and despite the emphasis it is placing on the growth prospects of its low fat products, the City *inevitably feels less relaxed* about the group's exposure. And if Unigate needed reminding of that perception, the share price reactions to the figures told the tale.

Charter Consolidated

Shareholders approached Charter Consolidated's interim with scaol enthusiasm. And the picture emerged to be every bit as bad as everyone had feared. The cost to Charter's reserves of the losses and declining share prices of two of its principal investments—Cape Industries aod Johnson Matthey—was £105m in the six months to September.

Cape's withdrawal from insulation manufacturing with the sale or closure of its three plants means that Charter has had to bear an extraordinary charge of £18.2m. The Johnson Matthey debacle is even worse. The failure of JM's banking business has thrown a further extraordinary charge of £46.4m into Charter's p and l account.

With pre-tax profits down by 65 per cent to £7.7m and just £125,000 left after a maintained dividend, Charter has transferred over £65m from its reserves to cover the extraordinary charges.

The charitable may feel that Charter has simply been unlucky in that two of its prime assets have turned sour on it at the same time. But in the last eighteen months the group has lost a third of its asset base and the share price now stands at a 45 per cent discount to what is left.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984 High	1984 Low	
F.T. Ord. Index	935.4	+ 12.4	935.4	755.3	Revived institutional demand
F.T. Gold Mines Index	504.0	− 43.5	711.7	485.7	Bullion fails to 2½-year low
Body Shop Intl.	470	+100	480	145	Press comment
Brengreen	60½	+ 11	82	46	Hawley Group stake
British Telecom	100½	+ 8	100½	88	Sustained institutional buying
Charter Cons.	187	+ 14	262	165	Int. results/reduces Minorco hldg.
Chart. J. Rothschild	99	+ 12	125	74	Holds stake in Hambro Life
Comfort Hotels Int'l.	88xd	+ 18	88	33½	Bid from Ladbroke
Falcon Resources	215	+ 45	215	85	Press comment/exploration hopes
Gee (Cecil)	180	+ 23	195	121	Abortive bid approach
Hambro Life	498*	+ 40	504	357	Bid approach
ICI	710	+ 44	724	526	Major U.S. acquisition
Metal Box	378	+ 24	382	287	Speculative buying
Minorco	550	− 60	792	480	Charter sells 7m shares at 555p
Pilkington Bros.	288	− 22	350	222	Int. figures/rights issue
Powell Duffryn	420	+100	445	268	Bid from Hanson Trust
Turner & Newall	111	+ 14	111	65	Investment recommendation
Waddington (John)	455	− 65	565	293	BPCC offer lapses
Whitbread A.	215	+ 22	216	128	Institutional support

* *Price at suspension*

Temptation and the Fed

NEW YORK

TERRY DODSWORTH

THIS HAS been one of those weeks when the markets have let themselves slip back into that bad old habit of waiting for the money supply figures. They are always being told by the Federal Reserve Board that they shouldn't do it, and they know for themselves that the monetary figures are subject to such weekly aberrations that no one should trust them short term, but they still cannot resist the temptation.

So when Thursday came along, the whole of Wall Street seemed to be hunched around a screen, waiting to see whether its number crunchers had got it right or not.

What actually emerged was a whopping $7bn fall in M1, around $5bn more than the consensus estimate that had emerged from the research departments. The bond market imoediately reacted with the assumption that this was largely bad news for the economy, but good news for those investors with a stake in lower interest rates: the Fed, dealers argue, will now be under increasing pressure to bring down the discount rate yet again to try and pep up the stalling economy.

Earlier in the week, bond traders had heard similar messages both from Dr Henry Kaufman, Salomon's chief economist, and Mr Donald Regan, Treasury Secretary, who launched yet another abrasive attack on the Fed for running a money supply policy that was not sufficiently accommodative. This combination of voices had been enough to push the bond market up a little, in spite of a little flutter of apprehension over strong retail spending figures in November, and a huge jump in early December car sales.

The stock market has very roughly kept in step with the bond traders, moving up modestly at the beginniog of the week, then losing faith in its direction later on. The measures of the broader market have gone virtually nowhere during the last few days. Most o fthe movement, with trading at a reasonably brisk level of around 80m shares a day, has come from the big blue chip stocks.

Some of these companies have had *plenty of news* to move them. Union Carbide's future after the Bhopal gas leak tragedy has continued to preoccupy investors, with the stock rallying a little this week following the chairman's statement that it should be adequately covered for the cost of insurance claims against it.

But the fall-out from the disaster will obviously cootinue for some time yet, and not for Union Carbide alone. Ooly this week, Monsanto shares were hit when the company said that it would be increasing the surveillance of its third world projects.

Oil speculation

The oil sector overall has also been under some pressure following speculation of price cuts in the North Sea. The big issue in the oil stocks, however, continue to be Phillips Petroleum, which has been putting up a spirited defence against Mr T. Boone Pickens' takeover attempt this week.

Phillips won a point in its attempt to stop Mr Pickeos by snarling him up in a restraint order from the local courts against acquiring further shares; but it then lost the next round when a federal court told Mr Pickens he could go ahead and buy.

The Federal court move pushed Phillips shares up by almost $2 to $52, where they stand at $8 below Mr Pickens' proposed bid price. In such a big and complex battle, it is probably not surprising that the market has not gone overboard to back the maverick Texan oil engineer, but the caution about Phillips also reflects a slight change in the takeover climate in the last few months.

The leveraged deals that were all a rage a year ago are now not quite so easy to arrange, partly because prices have been bid up, and partly because of fears over the tax treatment of interest payments raised by the new Treasury tax overhaul proposals.

This new mood claimed at least a partial victim this week, when the group of investors which had been aiming to acquire oNrthwest Industries and take it private, announced that it was having problems raising the cash. Northwest's shares fell $6½ to $48¼ on the news.

Only 24 hours after this setback at Northwest, however, Sir James Goldsmith emerged yet again to surprise everyone with the first moves towards a bid that would almost certainly be highly legeraged if it ever came. iSr James already has one investment "situation" hanging fire in the U.S. at Colgate Palmolive, but he has now informed Crown Zellerbach, the forest products group, that he may acquire a 25 per cent stake there as well. Crown's shares duly romped up by $5¼ to $3- on the news.

Both of these companies have recently adopted highly complex takeover defence mechanisms that are now being tested in the courts. So Sir James either believes that the new defence strategies will be overruled, or that he has some equally clever method of cracking them. The idea that he could be just an innocent investor does not seem to have occurred to anyone in New York.

Monday	1172.26	+9.0
Tuesday	1178.33	+6.0
Wednesday	1175.13	−3.2
Thursday	1168.84	−6.2

The lively ring of alarm bells

Unlisted Securities Market

USM SECURITY companies are in the throes of a battle for supremacy in a fragmented industry which has already seen more than its fair share of takeovers on the full board.

All of the six alarm-making, installation and manned security groups to have joined the USM since its inception have either made takeovers or received bid approaches. Accordingly their share prices have given investors an exciting ride.

The pace of activity hotted up last week when Checkpoint Europe, a distributor of electronic security tags and safes, revealed that a bid may be on the way. Its shares promptly jumped 38p to 223p, and since then they have settled at around 215p in the absence of further news.

Tunstall Telecom added to the excitement a few days later when it announced that its taxable profits had more than doubled to £3.05m in the year to September and that it would shortly become the third USM security group to graduate to the upper house. The announcement sent Tunstall's shares up by 33p to 335p, at which level the company is valued at £52.5m, more than three times its market worth when it was floated on the USM at 100p in June last year.

Tunstall, a maker of old people's emergency communications equipment, is moving up partly to improve its acquisitive muscle. Last August it paid £6m in shares for the alarms producer, Munford & White. "Fully listed paper will give us a major capability to raise cash in the future and to make paper acquisitions," says Michael Dawson, Tunstall's chairman.

The move is also intended to enhance Tunstall's corporate image as it diversifies away from from its local authority and housing association customers into the private sector.

Dawson's sentiments will no doubt find an echo with all the 35 other USM companies which have moved to a full listing before him. At the same time, Tunstall's reasons for wanting to make even more extensive use of its paper and the strategy behind its take-over of Munford and White contain specific messages for the security sector's smaller brethren.

"Until recently, we had all our eggs in one basket: supplying elderly people through the public sector," says Dawson. "Now we can provide security for property as well as people." The acquisition will allow Tunstall to install Munford and White's alarms in its 100 centrally monitored communications networks, so maximising the revenue from its existing lines.

Scusa, a recent USM graduate, took that kind of economy of scale a step further when it paid £35.4m in October for Holmes Protection. Both Scusa, the U.S. subsidiary of fully-listed Security Centres (Holdings), and Holmes operate networks of electrically monitored burglar alarms in the U.S., similar to but less sophisticated than Tunstall's communications systems in the UK.

The deal will mean considerable cost savings from running both companies' alarm networks through the same monitoring centres.

Tunstall's ambitions also highlight the extent to which USM security companies can use their increasingly valuable paper—they are all trading at premiums to their issue prices—to wrap up the juiciest plums among a multitude of small, mostly privately owned security groups.

Alarm installation and manufacture accounts for around a third of the entire security market, and that sector alone contains more than 2,500 small companies, quite apart from other areas like guarding, transport, lock and safe-making.

Most of them contain a valuable store of recurring equipment rental income, although there have been criticisms over accounting techniques which exaggerate the early years' benefits from rental contracts only to reduce them later.

Despite those pitfalls, Tunstall and the security groups it leaves behind it on the USM are likely to keep a keen eye open for acquisitions so long as the market smiles on their share prices—unless of course they get snapped up first by bigger fish.

William Dawkins

YOUR SAVINGS AND INVESTMENTS

Free tax pamphlet for the unemployed

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

I have been unemployed since January 1983. I understand that no deduction of tax is made from unemployment benefit until the period of unemployment has ended. My Income Tax office states that this is not so, and that it is assessable in the year in which it is received. Who is right?

You will find general guidance in the free pamphlet IR41 ployed), which your tax office really ought to have sent you already.

The taxmen are right on the first point, but wrong on the second. If you submit a reasonable estimate of your total income for the current tax year (specifying the expected figure for each source, as far as possible), together with vouchers for at least sufficient dividends to cover your 1984-85 personal allowance, they cannot refuse to deal with your claim promptly. We suggest that you write to the tax collector at the same time, explaining that the 1983-84 liability will be settled by the inspector direct, out of tax credit payable for 1984-85: this should stop the collector plaguing you with repeated demands.

Endless task of administration

It appears that by taking out papers of administration, that the administrator was deemed to have "intermingled" with the estate. (the parents having died intestate). The administration has been proceeding for some years. The administrator has, from that estate, received the ownership of a house, while his brother, the only beneficiary, received another, by family arrangement. Although some years have passed, the further assets have not yet been distributed (namely, all those accorded by "deed of family arrangement"). In the meanwhile, ill health may cause the administrator to resign, under doctors orders, either for 6 months and possibly for all time. Is it possible to allow the resignation of an administrator?

An administrator cannot resign; but it is possible to have the grant of letters of administration revoked and a fresh grant made to a capable administrator. Special circumstances would need to be shown to achieve this.

Special tax on new cars

I enclose a copy of the invoice which was given to me when I went to try to buy a new car recently. You will see that the basic price is quoted on the first line, and the next line is the so-called forecourt discount (£840). The item of £636.58 is described as "special car tax." and there are delivery and number plate charges. This is totalled to £7,710.58. To this VAT at 15 per cent is added, but road tax is separate from the VAT. What is the special car tax, and how is it calculated, and why is VAT chargeable on this amount. I cannot see how any value can possibly be added to a tax which is imposed.

Car tax is a special tax on the value of cars to increase the Government's revenue from the car buyer. It is levied on the value of the car at the time of its first sale. Value added tax is a tax paid to the Customs and Excise which is effectively calculated on the sale price of value of goods and services supplied. As you no doubt know the rate is 15 per cent on the price exclusive of VAT. You must not be misled by its title into thinking if no value is added to something there must therefore be no value added tax.

Independent school trust

My daughter has recently entered a small independent school as a result of her success in a competative entrance examination. I have now found that the school is the sole beneficiary of an old established trust and that the Governors are also the trustees. Since it has been possible to raise funds for the school using deeds of covenant with the trustees reclaiming the tax element I assume that the trust has charity status. In view of the existance of this trust it would appear possible to make regular payments under deed of covenant, with suitable wording, which amount to the termly fees. This would have benefit to both myself and the school. I realise that one objection could be that I was in effect making a deed of covenant to benefit my daughter. This however does not seem to be a barrier to parents entering into deeds of covenant in response to appeals by the trustees. In both cases it could be argued that payments to the trustees benefit all pupils equally. Could you please advise me whether it would be possible to: 1—pay termly fees by deed of covenant with the trustees reclaiming tax, or 2—for the trustees to award a number of extra termly scholarships as a result of "increase funds made available by deed of covenants," or 3—whether any such scheme is precluded by current tax legislations?

1—No, a charitable annuity cannot entitle the covenantor to significant benefits.

2—Yes, provided that the scholarships were totally unconnected withe the convenantors' children.

3—Your use of the word 'scheme' suggests that you are considering a quid-pro-quo arrangement; this would be ultra vires charity trustees, almost certainly, (even if not, it would be frustrated for the reasons indicated in the previous answers).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Working from a military background: Group Captain Coulson

Principles of war

Investment Tales

THE STOCK MARKET often appears a battlefield to the new investor. So it was, perhaps, natural for Group Captain Ronald Coulson to adopt a military approach to his investments.

"My policy for investment is based largely on Clauswitz's principles of war," he says. "Security of base and sound intelligence with just a dash of the element of surprise."

On retiring from the RAF in 1970 Coulson handed over his gratuity and savings to a portfolio management service. But after less than a year he became "disgusted and disillusioned," especially when the manager sold his shares in a bank just one week before a takeover bid sent the price soaring.

Coulson decided to run his own investments, beginning with the portfolio he took over from his managers.

This was entirely in equities at first, but the market taught him some sharp lessons. "Before I knew better I held on to Jove Investment Trust capital shares all the way up from the initial launch price of 10p to their peak of 39p and then all the way down to less than 5p," he said. "Today I would have sold at least half the holding as soon as the price fell 10 per cent from the peak."

And Coulson stayed in equities all the way through the slump of 1974, a decision which he says caused him a few sleepless nights. He has now evolved a more cautious strategy for at least part of his portfolio.

The secure base from which Coulson now conducts his campaign is made up of his pension, which he did not commute into a lump sum, and a proportion of his total investment—now 25 per cent—in fixed-interest stocks. From these he sells regularly to achieve an income that falls within his capital gains tax allowance.

In fact, making full use of his £5,600 a year CGT allowance is one of Coulson's first aims.

From this base he sallies out into the minefield of individual shares, "where the chance of success depends largely on good intelligence on the company and management in question."

One of Coulson's largest holdings is a share he took over from his investment managers, Hanimex which now makes up 12 per cent of his portfolio. He has stayed loyal because he sees it as a sound international company, and expects it to go much further after a temporary setback.

He also has around 30 per cent of his portfolio in investment trusts and unit trusts—and he often aims for short-term gains when new funds are launched.

He has made "useful short-term profits" in Mercury Money, Mercury Gilt, RBC Sterling and Framlington American Turnaround.

But Coulsen likes a little bit of adventure in his investments, and in this category he chooses not penny shares but established companies

He switched in and out of Jardine Matheson successfully for a number of years, and currently includes Western Mining and Teck in this section of his portfolio.

And he admits to acting on instinct occasionally — and successfully in the case of Renold Engineering, which he bought in January this year at 37p and sold in October at 51p, just below their peak for the year of 55½p.

Coulson is not particularly optimistic about stock market prospects for the near future, and expects to move about 60 per cent of his portfolio into fixed interest stocks early in the new year.

But his most pressing decision now is whether to sell his holding in Atlantic Assets and Edinburgh American Investment Trusts, currently showing a 10 per cent loss. "Intelligence reports on the managers are reassuring, but what Wall Street wil do next is anybody's guess."

George Graham

Foreign banks court home buyers

David Lascelles looks at a corner of the mortgage market that is not forever England

THE BUILDING societies have dominated the home loan market fo rso long that most people cannot imagine going elsewhere for a mortgage, except possibly to their banks. But for speed, ready availability of money or even price, some of the best bargains these days are available from foreign banks operating in the UK.

The United Bank of Kuwait, for example, is offering mortgages this week at 11.25 per cent, a full ½ per cent below a typical building society. Citibank, the big U.S. bank group, is also flush with funds.

Other big American banks like Bank of America and Chemical Bank are also eager to tap the huge demand for home loans here and are placing themselves competitively in the market.

But there is a catch, of course. The Kuwait bank's minimum mortgage is £40,000, and it will lend only up to 70 per cent of the equity value of a property. Also, you cannot just call into your local high street branch: you have to write to 1a Baker St, London W1M 1AA.

The avarage mortgage made by the bank is £65,000, which indicates the type of business it wants. But even at this level, it is getting 10 applications a day, and claims to be able to complete within three weeks.

Cheapness is not necessarily the attraction of a Citibank loan, specialy for smaller borrowers. The bank has an unusual reverse sliding scale: loans get cheaper as they get bigger because Citibank wants the big ticket business. At 13 per cent, a £20,000 mortgage is no snip. But a £50,000 loan at 12.25 per cent looks quite cheap.

Citibank also has plenty of money to lend. It expects to make £250m of home loans this year, putting it about 12th to 15th in the UK league, and will probably boost that to £300m next year. Citibank has few UK branches so it funds itself in the money markets rather than with customer deposits.

Bank of America also markets its home loans through insurance companies, though it accepts application through its finance subsidiary, BankAmerica Finance in Reading. It tries to make an offer within a fortnight.

Foreign banks can afford to offer a de-luxe service because, in many ways they are creaming off the best of the building societies' market: the high-value, high-quality business with low overheads.

HOW THE RATES COMPARE

	Cost	Extras*	Extra for endowment mortgage	Minimum mortgage	Multiple of salary	% of equity
United Bank of Kuwait	11.25%	None	No	£40,000	2½ x + 1¼ x other	70%
Citibank	Up to 25,000 13% 25-50,000 12.75% *50,000+ 12.25%*	½% for 100½ loan	No	£15,000	3 x + — x other or 2½ times both—whichver is bigger	up to 95% depending on size
Bank of America	12%	None	No	£30,000	3 x	Up to 95% including 15% mortgage guarantee.

* Other than legal, surveyors fees etc

The art of timing your absence

CURRENTLY, about 2.5m Britons work outside the UK Many have apent all their working lives abroard, but for others, employment overseaa is merely an interlude in a career otherwise carried on at home. Most of them will recieve a measure of relief from UK tax, but the extent of it will depend on the length of their absences.

Most favoured are those whose employment overseas extends beyond a full tax year (April 6 to April 5). Provided their visits home exceed neither six months in any tax year nor three months on average, they become non-resident for tax purposes.

The resulting freedom from tax, extends not only to the overseas salary but to overseas investment income, too. What is more, there is exemption from Capital Gains Tax — even on UK gains. But most British income remains liable to tax and, what is more, the non-resident is not entitled to any personal reliefs. As a result, a reoganisation of personal finances is often desirable after a person gains non-resident status.

At the other end of the scale are those who spend periods abroad on business, totalling 30 days a year or more. Up to the year 1983/84, such people were entitled to exemption from tax on 25 per cent of the pay relative to the period spent abroad. Unfortunately for them, this relief has been reduced to 12½ per cent for the current year and is eliminated altogether from 1985/86.

Finally, there are those whose overseas employment is carried on during a "qualifying period" of 365 days or more but where the absences does not cover a complete tax year. They remain resideots of the UK for tax purposes, but are entitled to total exemption from British tax on their overseas pay.

To achieve this result, it is not neccessary for the absence to be continuous. The worda "qualifying period" will encompas time spent in the UK, as long as it does not exceed either 62 consecutive days or one sixth of the days in the period. The second condition causes complications.

Consider the case of Mr Green, whose company transferred him to its New York office on April 30 1984. His movements prior to resuming his UK post are: as follows.

	Days	Days
Absence from UK	200	
Visit to UK	42	
Absence from UK	40	
		282
Visit to UK	20	
Absence from UK	173	193
		475

In applying the rules, it is not good eoough to look at Mr Green's absences overall. Initially, we must consider the first "sandwich" of absence/visit/absence.

The visit to the UK does not exceed 62 consecutive days or a sixth (which is 47 days) of the days in the period. Consequently, the period is "qualifying," but does not, so far, amount to 365 days. Nevertheless, we now have the right to aggregate it with subsequent periods.

The second visit and third absence are now incorporated. No visit has exceeded 62 days and total visits do not exceed a sixth (79 days) of the days in the period. Consequently, Mr Green has achieved a qualifying period which exceeds 365 days and his overseas salray will be entirely exempt from UK tax.

But that is not the full extent of his benefit. In 1984-85, only the one month's salary prior to elaving for the U.S. is taxable, with the result that much of the £3,155 personal allownce is available to reduce the liability to tax on his other income. The benefit may spill over into 1985-86, too, because only seven months' UK salary will be taxable after he returns, with the result that he might well avoid the liability to higher rate tax which his annual salary (if large enough) would have attracted.

In considering whether exemption is due on the overseas salary, it s not just the length of the visits to the UK which are crucial. When they take place is just as important. This can be demonstrated by looking at the position of Mr Green'a colleague, Mr Brown, whose original departure, final return and total visits, were exactly the same as Mr Green's. But the timing of his visits were different with drastic results.

	Days	Dys
Absence from UK	200	
Visit to UK	50	
Absence from UK	40	
		290
Visit to UK	12	
Absence from UK	173	185
		475

Tax and the Employee

An examination of the first absence / visit / absence, shows that the 50-day visit did exceed a sixth (48 days) of the period. Cnsequently, this is not a qualifying period and cannot be aggregated with the subsequent abseoce. The 173 days spent abroad is a qualifying period, but being less than 365 days does not exempt Mr Brwon's salary. The fact that he will be entitled to the 12½ per cent exemption for 1984-85 will be small consolation to him.

Poor Mr Brown! Had he but known it, he could have qualified for the full exemption by spending just three days of his 50-day leave in the South of France instead of in Bournemouth. For the odd fact is that days overseas do not have to be spen workingt o count towards a qualifying period.

The author, Donald Elkin, is a director of W. T. Fry.

A money-making machine

MINING

GEORGE MILLING-STANLEY

"WE HAVE NO PLANS to buy on oil company." Mr Bob Calman, chairman of the Canadian gold producer Echo Bay Mines, told me recently. The conversation had turned to the recent U.S.$400m acquisition of Felmont Oil by America's Homestake Mining, and while refraining from criticism of his rival, Mr Calman said he believed investors were prepared to pay a premium for what he called a pure gold play.

"If the investor wants diversification," he went on, "he usually prefers to find it for himself by putting together a portfolio of companies with a broad apread of interest. That way he can get exactly the kind of diversification he is looking for. It is simply not the job of companies to diversify themselves."

This approach fits in exactly with the corporate philosophy of IU International, the American conglomerate which was Echo Bay's parent company until the gold producer was spun off to IU shareholders a year ago.

Synergy, the deriving of benefits from bringing together apparently disparate activities, is the magic businessmen are seeking when they put together large companies with a broad spread of interests. But synergy can sometimes be the opposite of energy, and certainly Echo Bay seems to have won a new lease of life since the spin-off.

The company now has a three-pronged strategy for expansion, involving improvements to productivity and output at its Lupin mine, the second largest in Canada, further exploration for precious metal deposits in the far north, where Lupin is situated, and the acquisition of other gold producers in north America.

Echo Bay has made no secret of the fact that it is on the acquisition trail. In September, the company took out an option agreement to enable it have a look at the California gold project of Sonora Gold, but this was allowed to lapse as Echo Bay staff felt they had not been given enough time to study the property to justify making a C$60m investment decision.

Mr Calman described relations between the two companies as friendly, but any deal with Sonora has been relegated to the back-burner by this week's takeover of Copper Range, a wholly-owned subsidiary of Louisiana Land and Exploration of New Orleans.

An initial U.S.$55m will be paid in cash on completion of the deal, probably in January, and a further $75m is payable in the form of a 3 per cent royalty on revenues from Copper Range's Nevada precious metal properties, starting in 1989. Once that commitment has been met, the royalty falls to 1.5 per cent.

About $25m of the initial purchase price will be financed througs medium-term borrowings in U.S. dolars, although Echo Bay is considering a share issue to keep the level of bank borrowings down.

The remaining $30m or so will be financed through the sale of future gold production from the Lupin mine, in Canada's Northwest Territories, and Mr Calman explained that Echo Bay has already stepped up the level of forward sales in anticipation of the takeover.

At the end of the third quarter, the company had sold forward 8,200 ounces of expected fourth quarter output at an average price of $472, and 17,800 oz of next year's production, some 10 per cent of the total, at a price of $418. The more recent sales will have taken the proportion of output which has been sold forward significantly higher.

Mr Calman said he believes that gold mines are sensible to use their production to finance expansion or acquisitions in the gold business. "If you had a patent on a machine to manufacture Swiss francs, you would use Swiss francs to finance its development, wouldn't you?" he asked, confident that he had the right answer.

The main attraction of Copper Range for Echo Bay is its half-share of the Round Mountain gold mine in Nevada. In this, Mr Calman finds himself in agreement with Homestake, as by a curious coincidence the U.S. company's takeover of Felmont Oil brought with it a 25 per cent interest in Round Mountain.

Copper Range is the operator for the mine, which came into production in 1977 and is expected to produce 120,000 oz of gold this year at a cash operating coat of around $250 per ounce. Reserves are put at 167m tons, grading an average of 0.42 oz (1.3 grammes) of gold per ton, with a total gold content of some 7m oz.

Round Mountain is a large tonnage, low-grade open-pit gold mine, in contrast to the comparatively high-grade underground operation at Lupin. This does not worry Mr Calman, however — "The processing of gold ore is pretty much the same wherever you go," he commented," and wa have proved our ability to move men and large quantities of materials in constructing the Lupin mine."

Copper Range also owns the White Pine copper mine in Michigan, which has been closed since 1982. Echo Bay has no immediate plans to go into the copper business, and regards the operation as a bonus which may eventually be re-opened as a copper producer, but will much more probably be pirated for plant and machinery

The use of second-hand machinery is something of a speciality of Echo Bay management — as Mr Calman said, "The toughest thing in the world is to persuade our guys to buy a new truck."

SAVINGS OFFERS

	Page
National Savings	3
Mercury	7
Gresham Trust plc	8
C.S. Investments	8
Murray Johnstone	9

YOUR SAVINGS AND INVESTMENTS

Blessing him who gives and him who takes . . . . **Dina Thomson**

The tax-efficient gift of cash

THE FINER points of gift-wrapping may occupy a disproportionate amount of your time as the days before Christmas are ticked off. If your generosity extends to charity, it is also worth considering how best to package your chosen gift.

Giving to charity by covenant is the most tax-efficient way of making a donation, as it entitles the charity to recover from the Inland Revenue tax which you have already paid on your donation.

This boosts the value of your donation to charity and can be particularly effective in the case of the high-rate taxpayer, as was explained in last Saturday's FT.

A covenant is simply a legally enforceable promise for not less than three years and it usually lasts four. You can specify certain conditions which will place limits on the time frame.

While you can make a covenant directly with the charity of your choice, you can also use the independent Charities Aid Foundation (CAF) to disperse your donation widely.

By making a covenant directly with CAF, you have the advantage of flexibility, as you are not tied down to any one particular charity.

A further scheme for charitable donations was launched on Thursday by stockbrokers Hoare Govett, in conjunction with CAF.

Investors who made donations to registered charities can use the scheme to make their gifts by covenant from the income generated from their investment portfolios.

Hoare Govett's Unit Trust Charity Scheme allows you, as an investor, to give to as many charities as you like, to choose your own charity and the amount you would like to give from year to year.

The minimum investment, as with Hoare Govett's orthodox unit trust portfolio management service, is £6,000. Charges are the same as for the orthodox service, and as with all donations made through CAF, 3 per cent of the gross income received under your covenant goes to CAF's founder, the National Council for Voluntary Organisations.

But if you do not have £6,000 to invest, or if you do not want to link your investment income with your charitable donations, there are alternative means of giving to charity by covenant.

The flexibility provided by CAF, which allows you to respond generously when disaster strikes in Ethiopia, for example, can be created closer to home.

You can set up a charitable trust yourself and make a covenant to place a certain amount of money in it. As with any covenant, the minimum period is usually four years. But there is the advantage of not having to allocate a minimum amount of money to charity.

Income allocated for a charitable trust is exempt from Capital Gains Tax and Capital Transfer Tax, as well as Stamp Duty. Whereas the tax laws stipulate a limit of 21 years on the accumulation of income in a private trust, there is no such limit on the accumulation of income in a charitable trust.

This means that any accumulated income in your charitable trust also goes to the benefit of charity. The Charity Commissioners frown on income that is left to accumulate for long periods without distribution, but as trustees a husband and wife, for example, can have complete discretion as to the distribution of both the capital and income in the trust.

Your trust has to be registered with both the Inland Revenue and the Charity Commissioners. You could find that the latter prefer there to be an independent third trustee, but this is not a requirement.

The setting up of a charitable trust could necessitate seeking legal advice if the sums involved are large. But the procedure for drafting a charitable trust is a fairly standard one.

You must submit your draft to the Charity Commissioners branch in Liverpool which will send a copy on to the Inland Revenue. Their joint comments will be made on the back of the draft, which will be returned to you. It is possible that they may require amendments before they give their approval and a registered number as a charitable trust.

If you use a solicitor, fees will vary according to the amount in the trust and on whether or not you use a London firm or one in the country, but it could cost you up to £200 to set up such a trust.

If you have hundreds rather than thousands of pounds that you would like to give to charity, and you want to retain complete flexibility in deciding where and when to allocate the money, you should consider setting up a charitable bank account.

A halfway house between one-off donations to charity and a charitable trust, a charitable bank account allows you to designate money exclusively for charitable purposes with a minimum of administration.

The benefit to any charities you sponsor out of your separate charitable account is the same as it is with any other donation by covenant — the charity claims back tax relief from the Inland Revenue.

But a charitable bank account need only be registered with the Inland Revenue, and does not need the approval of the Charity Commissioners. As with a charitable trust, there is no minimum on the amount that must be paid into it every year.

To set up such an account, you would draft a document stating under covenant to use the account solely for charitable purposes, and register with the Inland Revenue. The document should be signed by all those able to write cheques on the account.

Advice on such accounts should be available from your accountant. The firm Robson Rhodes suggests that if small amounts are involved, charitable bank accounts are a lot easier to administer than trusts, but that they are not appropriate if the amount is over £5,000.

Charities Aid Foundation, 48 Pembury Road, Tonbridge, Kent TN9 2JD, tel: (0732) 356323.

Law tilts towards disgruntled clients

David Cohen explains what to do if your stockbroker's advice is uneconomic

IF THE advice which you receive from your stockbroker keeps losing you money, there may come a point where it becomes worthwhile to seek advice from your solicitor. Suing your broker for negligence is certain to be difficult but there are signs that the scales are begining to tilt in the client's favour.

The law says that a stockbroker's duty in advising a client is "to use that skill and diligence which a reasonably competent and careful stockbroker would exercise." If he falls short of this standard he is liable to compensate his client for any resulting loss.

Some cases will be so clear-cut that most brokers would pay up without any argument. One example would be where a non-taxpaying client wants to buy a gilt-edged stock that pays dividends without deduction of tax, but the broker negligently picks a stock which pays out net of tax.

But in most cases the client will have a difficult task proving negligence. The mere fact that a broker's advice turns out badly is not proof that he has been negligent. The quality of his advice has to be judged as at the time he gave it—without benefit of hindsight.

As a topical example, suppose that in the future British Telecom shares fall below the price at which they have been offered for sale to the public. Investors would have no chance of successfully suing brokers who had recommended BT. The recommendations were perfectly reasonable at the time they were made—as evidenced by the large number of brokers who made them—and stockbrokers cannot be expected to be prophets.

If a bad outcome is no proof of bad advice what sort of evidence can a let-down investor rely on?

He may be able to show that the reasons the broker used to back up his recommendation were misleading or illogical.

A broker could also be liable for suggesting that new legislation or changes in Government policy favoured a particular stock if proper research would clearly have shown that this was not so.

The investor will also have a good case if his broker has negligently overlooked a vital factor, such as the need for Monopolies Commission clearance of a takeover or merger.

In practice, however, brokers' recommendations tend to be so carefully hedged and qualified that this type of evidence will rarely be available.

Brokers are likely to be far more at risk where they are given complete discretion to manage funds on a client's behalf.

In two recent cases, commodity brokers were sued for losing large amounts for discretionary clients. Both claims failed but in both cases the judges stressed that the volatility of the commodities markets was a prime reason for deciding that the brokers had not been negligent.

Since stock markets are usually rather less volatile, a case brought by a discretionary client of a stockbroker should be that much more likely to succeed. If, over a reasonable period, a discretionary portfolio had markedly underperformed the standard market indices, a court should accept that as strong evidence of negligence irrespective of the details of the individual transactions.

In one important respect, an extension of brokers' responsibilities may well be on the cards. In the U.S., a stockbroker has to apply a "suitability test" to all his investment advice. This means that before making a recommendation he has to consider not only the merits of the stock itself but also whether it is suitable for the particular client to whom he is recommending it.

A speculative oil stock may be a spicy addition to a substantial portfolio but unsuitable for a person of more limited means.

A high-yielding gilt would be fine for tax-exempt institution but no good for a top-rate taxpayer.

Putting this extra onus on brokers should lead to better all-round service for clients and, in the last resort, a better chance of proving negligence. British stockbrokers are not yet subject to the suitability test, but last year the Government brought in a suitability rule for licensed dealers in securities. There must now be pressure on the Stock Exchange to follow suit.

Even if the law is becoming more ready to hold brokers accountable for their mistakes, disgruntled investors may sometimes be better off pursuing extra legal remedies. A story recently went round the City of a wealthy individual who invested well over £100,000 with stockbrokers on a special discretionary dealing account for which the minimum investment was £100,000. Things went badly and after some months the brokers' tactless computer wrote to inform the investor that the funds held on his behalf had fallen below the £100,000 threshold and gave him the choice of replenishing the account or withdrawing his money. The furious investor threatened publicity. He was repaid in full.

David Cohen is a solicitor practising in London.

George Graham on what lawyers have to offer

Specialist pools for problems

Paying for advice

THE LOCAL solicitor was once the main, if not the only, source of financial advice for the average person. Now that accountants, insurance brokers and other advisers have moved in, what does the lawyer still have to offer in the way of financial advice?

The answer depends entirely on the solicitor in question and on the resources of his or her firm. Law firms have grown in size, particularly since the removal of legislation limiting partnerships to 20 partners—but there are still around 3,000 solicitors in England and Wales who are sole practitioners, without the support of partners who may have specialised in complementary areas.

"How these people can specialise is beyond me," says the tax partner at one London firm.

Most solicitors believe, however, that even if individual partners must concentrate on narrowly defined areas, the law firm as a whole must be able to cover the whole range of difficulties their clients may bring to them.

"These problems are not capable of being put in a straight-jacket," says Colin Prestige, partner at a London firm of solicitors. "Your is a wealthy individual, but lo and behold, he gets himself divorced. If your firm doesn't do matrimonial work, then he has to get two separate firms."

Smaller solicitors can always refer to barristers for counsel in areas where they themselves have no expertise, but increasingly they are asking for help in the first instance from other larger firms.

"There is slightly less pleasure in going for counsel for an answer when you don't fully understand the question," says David Bates of a firm of City solicitors, "so firms out of London may go to a City of London firm for advice."

In addition, smaller solicitors will be more ready to refer their clients to accountants or insurance brokers on matters that fall outside their expertise, where a large firm may have enough accounting knowledge in-house to deal with the problem.

It is in personal taxation that the lawyer's financial advice is likely to be most needed —and on capital transfer tax especially, because of the solicitor's role in drawing up wills.

"A will is a document that can save capital transfer tax on death. If it is badly done it is a legacy to the Chancellor of the Exchequer," says Prestige. "In my view a solicitor who knows his subject knows more about capital transfer tax than an accountant."

Problems on capital gains tax, income tax or development land tax may also be areas where the solicitor may have special knowledge.

In principle, the solicitor will charge on the basis of the time taken, the complexity of the problem, and the amount of money involved in the particular transaction for which advice is required.

Most will give a fixed quotation for a particular transaction, on the assumption that the problem is fairly straightforward; the final bill may be higher if it turns out to be more complicated than the solicitor thought at first.

For drawing up a simple will, where husband and wife leave their estates to each other, the cost might be £15-£30, depending on the solicitor. Some firms, in fact, regard will as loss leaders.

Clearly, however, the amount of work that will be done for £15 is limited, and if the estate is more complicated it may be worth paying more for a greater amount of advice, to ensure that the will is drawn up in the most tax efficient way. Costs for a large and complex estate could range up to £2,000.

It is in the solicitor's interest to adhere to the original quotation where possible, so as to keep the client's business, and most will make every effort to do so. If you feel that you have been overcharged, you can complain to the Law Society, which will assess whether the solicitor's expenses were reasonable.

Commission that lawyers may receive—if for instance they recommend a life insurance contract or handle share purchases on behalf of their clients—should be taken into account when billing the client. But the regulations on disclosing commission are less clearly defined than those covering chartered accountants, and solicitors in general are less likely than accountants to offset the entire amount of cimmission against fees.

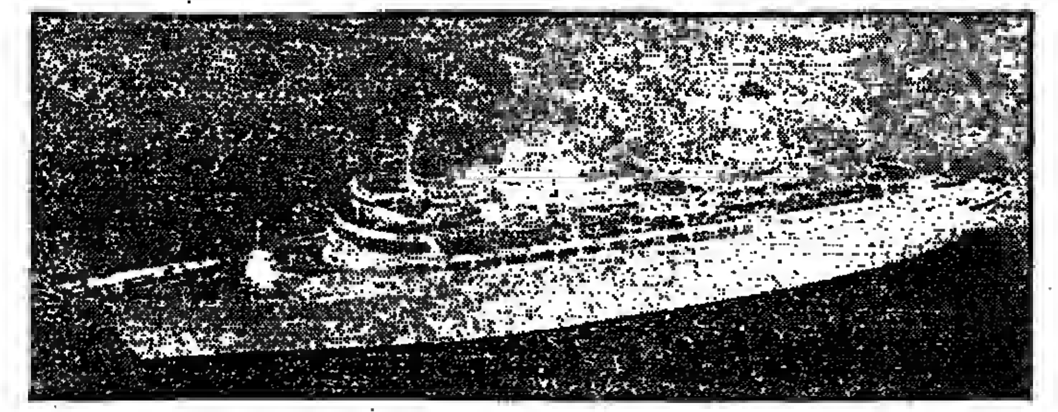
TRAVEL

Arthur Sandles examines the opportunities available to cruise addicts

Marine choice for the latter-day Columbus

CRUISING is a love- or hate-it holiday. The real addicts love those lazq days at sea, the partying, the security in strange places, the comfort and the company. Opponents talk of claustrophobia.

For the real enthusias, however, we are about to enter the peak time of the year—the period when the great ships of the world's fleets set off on their world cruises. If you take the whole trip it normally lasts for three months, a complete escape from the northern winter.



P & O's Sea Princess leaves Britain for her world cruise on January 11, sailing to five continents and 22 ports of call. Fares for the 89-day trip range upwards from around £8,000, but various sectors are for sale separately

First away from the quayside, on January 7, is the Taras Shevchenko, the Russian ship operated by CTC lines. I have not travelled on a CTC vessel so cannot speak from personal experience, but you can expect reasonable down-to-earth comforts on board a one-class 20,000-ton vessel that carries 650 passengers.

Unlike most cruise ships these days, who look to Americans, the Taras Shevchenko draws most of its passengers from the European market.

The lowest price for the cruise is £2,930, but for that remarkable price you get very basic accommodation indeed. A more normal figure would be a little over £6,000 for a berth in a two-bedded cabin with shower and wc.

All the prices mentioned in this review are brochures tariffs and may be subject to currency surcharges.

The Taras Shevcnko sails from Tilbury to Madeira and then cuts across to Barbados before wanderiog into the Pacific for a trip that includes Tahiti, Sidney, Hong Kong and later the Indian Ocean calls of Colombo and Bombay. There are, of course, lots of other stops in hetfeen.

Not so many, however, as is being visited by the Sagafjord which leaves Miami on January 8. I am cheating a tiitte here in that the Sagafjord trip is really a Pacific voyage. It does a brief Caribbean tourn before slippiog through the Panama Canal to visit all those places you have ever dreamed of from Guyaquil and Easter Island, to Pitcairn and Bora Bora, from Sydney and Bali to Pattaya and Shanghai.

The basic cost of the whole cruise from London (including Miami flightst is upwards of £12,000, but again you would expect to pay rather more than that for better accommodation.

The Sagafjord is run by Cunard these days and on February 14 the ship meets the line's flag vessel, the E2, at Sydney. At this point passengers on either vessel can cross over to the other one for the rest of their voyage.

This is one of the dozens of different offerings available in connection with the longer cruises, options which make the quotation of sample prices even more difficult and confusing. The QE 2, for example, has a series of Concorde options which allow UK passengers to join the ship in New York, *Miami, Rio*, Cape Town, Hong Kong or Singapore.

The QE 2 leaves New York on January 13 and saits down into the Caribbean before the trip through the Panama Canal into the warm waters of the Pacific.

An enormous plus for UK passengers taking the QE 2 all the way is that the ship returns to Southampton (labour problems allowing). This means that the normal baggage problem for fly-cruising as far as overseas purchases are concerned—and in three months one is *likely* to have made quite a few—is overcome.

QE 2 prices range from around £10,000 to £50,000 for the whole trip, but a basic Concorde package can be bought for £4,000. Expect to pay about £17,000 for a goodish cabin for the whole 100 days and three dozen ports of call.

It is on January 20 that the Royal Viking Sky leaves Miami for its round the world voyage again one that ends considerately for the British, in Southampton. She holds about 700 passengers when full and is an extremely popular, Scandinavian-crewed, ship.

For those of a deeper pocket it is sad to report that all the penthouse suites have beeo sold, nut there are still vacancies in other cabins, and for a variety of sectors of the voyage. Ex-London prices are upwards of £13,300 for the whole trip.

Indeed as a general price guide, with the exception of the Russian ships, you should expect to pay about £130-£150 a daly per person for a goodish cabine on most cruises at the upper end of the market. It sounds a lot, but placed beside the cost of a London or New York five star hotel, with all meals an dentertainment, it begins to look something more of a bargain.

So complex are the routings, costings, cabin options and sector choices that, if you are considerin ga long cruise, I would urge the gathering of all the brochures from your travel agent and several evenings careful research.

Sights and smells of the East

FROM WHERE I sit I can see what looks a smallish town baking under the equatorial sun. A couple of needle-pointed towers suggest the presence of both Christian and Islamic communities. We wait for the small craft that will carry us ashore, and the fact that we have had to moor so far from the quayside says much about this little port and one-time centre of the space trade . . . this is one of thoshe hundreds of coastal communities round the world that silting or or today's transport problems, have forced commerce to abandon. In that, and perhaps in a few other ways, it has something in common with Rye in Sussex and Salem in Massachussets.

But this is a long way from the Englands both old and new. This is Siholca in western Sumatra. We are about a mile offshore. "Can I smell something awful?" says one American, "You can," the Danish captain replies. "To find Sibolga, I just head for the smell."

Sibolga smells of tons of fish caught in the shallows of the harbour and spread out through the port to dry. Rural Sumatrans come here to buy it.

Sibolga, with its corrugated roofs, dusty streets and simple life, is not one of the world's brightest tourist spots. Its trishaw operators dilligently pursue the cruise ship passengers butthose visitors find no batik boutiques. To some it proves a disappointment. "I didn't see anything to buy." But it is Indonesia.

Everyone seems to be struggling with the climate. Through the year theweather around Sumatra tends to be hot and sticky. At this time it is marginally less hot, the lower 90s instead of the upper, and a little more sticky, reaching 75 per cent humidity instead of 70. Perhaps those statistics are why the region has had to wait for universal air conditioning before suffering the tourist invasion.

To suggest that what our history books once called the East Indies are being spoilt by the rush of tourists would be naive. This new wave of visitors is leaving its mark, as other invasions have in the past, but it is only a mark. The mysterious East is still there for those who wish to see.

The East is a mystery because, to the westerner its component characteristics are so alien that we have no real starting point for the instant acclimatisation we have learnt to expect.

Perhaps it is television which has broadened our own horizons, making us willing to risk and sample. At the moment I am one of several hundred people doing our sampling in what many regard as the easiest way of all, aboard a cruise ship, the Pearl of Scandinavia. To some it is touristic cheating.

The Danish-owned and officered, Nassau-registered, *Fillipino-crewed*, American-patronised vessel voyages in Indonesian, Malaysian and Chinese waters picking up passengers in Japan, Hong Kong and Singapore and serving them food from an Italian chef. The bairdresser is English.

It is, after all, sanitised travel but I do not know of any other way of seeing so much so quickly and certainly in such comfort. Though many of the people aboard seem disdainful of what they have paid thousands of pounds, dollars or marks to see, the rest pack the lecture halls and burrow into the history books enthusiastically.

Many admit that they have bitten off more than they can chew. Some signed on for a full 42 days that has ranged from the bustle of modern Japan to the Great Wall of China, from the skyscrapers of Kowloon to the temples of Malaysia . . . and the *fish* market of *Cibolga*.

It is no Caribbean pleasure hop. This really is a voyage into Eastern fascination, and if you feel guilty about slinking back on board to an air-conditioned cabin and guaranteed germ-iced-drinks, so be it.

But as I sip one of those drinks, and gaze out at the roofs of Sibolga I am beginning to think I even like that smell. It certainly beats televisioo.

Further information: most Asian nations are represented at the World Travel Market which opens to the public in London this wekend. The Pearl cruise head office is at 1700 Montgomery Street, Suite 320, San Francisco, California 9411, US. The London sales office is at DFDS (UK), Latham House, 16 Minories, London EC3N 1AD.

MOTORING

The complexities of fine tuning

By STUART MARSHALL

ONE DOESN'T, of course, talk about a car wireless any more. Even car radio is frowned upon by the experts. ICE (or in-car entertainment) is the flip expression for what most of us stil call a car radio but which is increasingly a combination—a combined radio set and tape player.

As the years go by, I find cars become easier and easier to drive, but the radios (sorry, ICE systems) become more difficult. In the three years I owned my last car, I never did discover how to work the combination properly. After studying the opaque instructions, I still couldn't work out how to preset BB2, 3 and 4. The self-seeking needle buzzed angrily up and down the scale and if it stopped at the right station it was by accident, not design. So I tuned it by turning the knob.

The Clarion combination in my present car looks intimidating but, once I had it explained to me, is simple to operate. It lets me pre-set 18 stations—six on each of the three channels (FM-stereo, medium and long wave) it receives and, to my non-expert ear, plays broadcast music and tapes with the quality of a sitting room hi-fi. I can roam up and down the scale at the touch of a button if none of the 18 pre-set stations takes my fancy. The wavelength of the chosen station is shown on a digital display.

It was one of 7m ICE sets produced by Clarion last year and is similar to those fitted in Jaguars and Range Rovers. Typically, an installation in this class costs about £450. Speaker quality is absolutely crucial to proper performaoce. Mine has four, mounted one in each door. ICE buffs are known to pay over £400 just for the speakers and to spend £2,500 on elaborate installations for their Rolls-Royces or Porsches.

I know nothing about electronics and the performance of a modern set like my Clarion makes me marvel. But, according to Alan Wilson, Clarion Shoji (UK) Ltd's marketing director, the ICE revolution is only just starting to get into its stride.

For example, a Clarion twin aerial system to cut out interference to FM reception, caused by the receiver picking up two stations at once, is already fitted to the Nissan Silvia. It will be available as an accessory in a few months at about £40. The system switches to the aerial picking up the stronger signal, hundreds of times per second if need be, to get the best possible reception.

Looking not far into the future, Clarion (and, no doubt, its rivals) sees that the car will become an extension of both home and office with an audio-visual and computer communication system plumbed in. By the early 1990s the radio will have gone completely digital, with no mechanical parts at all. The compact disc player will, Clarion thinks, have come into the car and gone again, replaced by a superior kind of tape. This is in a standard size cassette but carries digital recordings, giving the same quality as a metal compact disc but better suited to the moving, vibrating in-car environment.

Miniaturised video cassette players will be installed, first for entertainment, then for providing driver information. Initially, this will be displayed as a map with the route marked in a second colour. Later when more telecommunications satellites are in orbit, it will be possible to have a continuously moving map. This will show the driver exactly where he is and will also offer advice about avoiding traffic jams.

After that, the computer keyboard will appear on the central console. Its printer will produce a hard copy, 32 point check-out on the car's condition whenever the ignition is switched ou. And it will provide facsimile documents, transmitted from any part of the world.

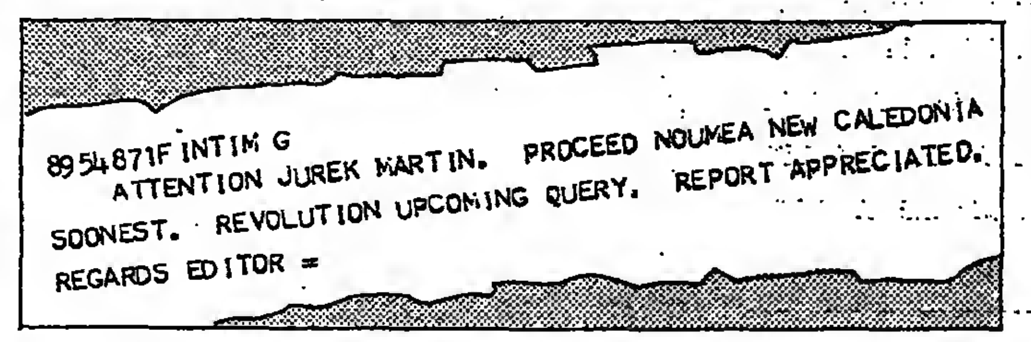
The hardware for the space-age car exists now and Japanese cars with it installed have been exhibited at motor shows. What worries me is how the driver is expected to control the car and work all the equipment. Maybe the chauffeur will make an unexpected comeback so that the businessman can concentarte on the electronics and let someone else do the driving? Or will the driver himself be rohotised? Nothing, it seems, is impossible.

THE JULIER pass between Chur and St Moritz is not the kind of road to take liberties with in winter. Last week the surface was a mix of hard-packed snow and sheet ice on the higher reaches. Yet the Audi 200 Turbo Avant estate accelerated out of the bends and overtook slower moving cars almost as though the roads were dry. The secret was its quattro all-wheel drive transmission. All Audi models, from the 200 Turbo Avant (pictured) to the least expensive 80 saloon, are now being offered in quattro versions, though some won't reach Britain until next summer.

By spreading the tractive effort among four wheels instead of only two, Audi gives this 140 mph express of a car gentle and submissive handling, providing you remember that everything has its limits. When the Turbo Quattro Avant arrives here, I can see its catching the eye of Range Rover owners because it will pull a two-horse trailer as easily as it will cross continents. The price will be high—an estimated £24,000—but the Avant is the ultimate in dual-purpose vehicles.

Other new quattro models unveiled last week were the 100 saloon and Avant and the 2.2-litre fuel injected but non-turbocharged coupe. Audi anticipates that 20 per cent of sales will soon be quattro models. The 200 Avant will only be sold as a quattro and most buyers of the 200 Turbo saloon are expected to specify all-wheel drive.

Prices of the all-wheel drive Audis will run from around £11,500 upwards. Servicing costs are not significantly different from those of front-wheel driven models. Retained value is said to be better and maintenance expenditure lower, because spreading the stresses among four wheels lowers wear and tear on both tyres and the running gear.



Dear Editor,

It was very thoughtful of you to take out the extra civil unrest insurance for me before I got here and I will admit there were moments last Saturday en route to the Kanak funeral when I was afraid I might need it. But I would be dishonest if I did not tell you that New Caledonia isn't exactly your typical far flung trouble spot.

For a start, though this place hsa been French for 131 years, they actually play cricket here. At least, it is called cricket, and it does feature three stumps in the ground, a bat and a ball, though the similarity eods about here. The remarkable aspect is that it is mostly played by native Malanesian women dressed up in flowing garments, a bit like Hawaiian muu muus, which are known as misisonary robes.

The apparent explanation is that when British missionaries came here in the last century they decreed that cricket was a suitable activity for a Sunday but that playing it without clothes on was not (this puritan reform, let it be noted, has not extended to the island's beaches). Anyway, the habit—in both senses of the word—caught on.

It seems that there is only one ball to an over and the batswoman doesn't run, no matter who far she hits it; those at the other end do the running and there may be more than one of them; the only ways to be out are caught and bowled (no such compexities such as lbw, which might be difficult to judge when a ball disappears into a misisonary robe); the bowler has to keep her arm above the shoulder but can chuck it as well as bowl it; teams, still often based on the old Kanak tribes and clans, run up to 14 a side; scores are said to be low. I never did find out who won.

But, to wind out a surreal sporting weekend, I can tell you that on the centre (and only) tennis court at Hienghene, in the far north-east, on Sunday morning Henry Fairbank and the New York Times took the Washington Post and the Financial Times 6—4. The result was not a disgrace: Henry at 54, is a past New Caledonian champion and the gentlemen of the press (abondoned the night before by their charter pilot though a plane was the only sure way back to Noumea 300 kilometres away) were a little distracted.

Henry Fairbank is, of course, completely French; he may have had a British grandfather, hence the name, but was born in Orange and has lived here for 30 years. He built this simple little complex, the Relais Koulnoue (next to the grass airstrip which he also runs) 20 years ago, and used to do a booming trade. But the dozen or so journalists he rescued from sleeping rough on Saturday night were the first guests he had seen in some time, so effectively have the Kanak nationalists cut off this part of the island. Just a few days before someone had tried to torch the thatched roof of the main building.

Henry will talk about the troubles here but not for publication, even in a British newspaper. He is more concerned to get his guests out on the tennis court. I had seen Sukova beat Navratilova just 72 hours before in Melbourne, but something tells me Henry at Hienghene might have been her match.

The other sport in New Caledonia is finding the Japanese. They now rival Australians as the island's biggest tourist customers, but for days I couldn't see any: presumably a lot of them were at the Club Med, but they wern't to be found on the public beaches nor in the local bistros, which are pretty good.

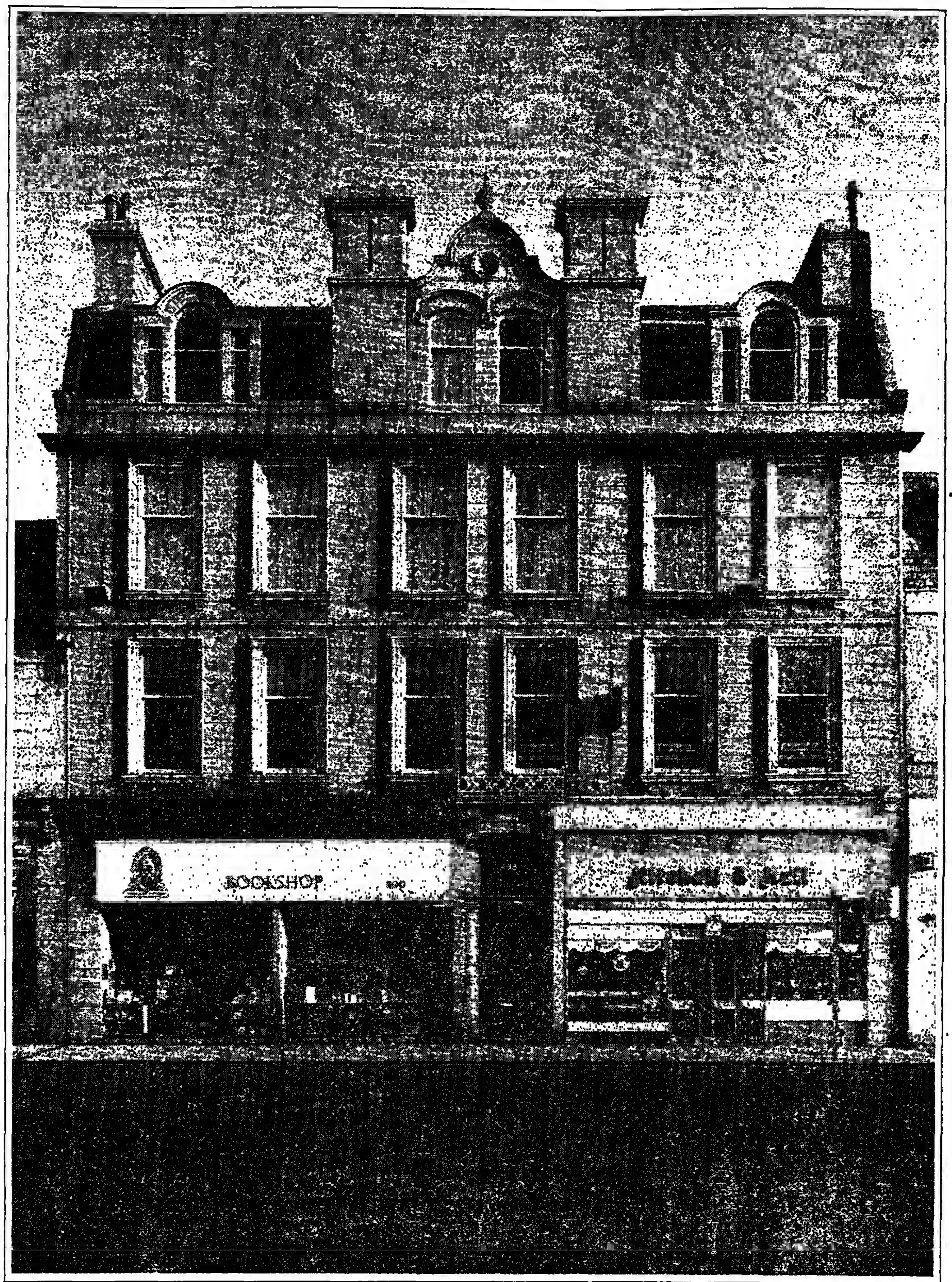
All was revealed just before I left. Having bought the sort of things unobtainable in Tokyo (to be precise a Bleu d'Auvergne, a saucisse d'Arles and 5 lbs of the sensational Melanesian coffe) I ventured, with Christmas in mind, into one of the duty-free shops that are all over Noumea—and could barely move for Japanese who were seeking precisely those status symbols which no modern Samurai can do without—Louis Vuitton, Chanel, Christian Dior and Remy Martin—we flew back to Tokyo later that night—291 Japanese and me, knees up in the weekly UTA DC-10.

Life on the front-line, as you know, can be pretty rough. But not always.

All the best,
Regards,
Jurek Martin

هكذا حدث الكل،

IT SEEMED AS GOOD A PLACE AS ANY TO START LOOKING FOR NORTH SEA OIL.



1965

A routine press conference in London, and an off-the-cuff remark by Shell UK's top geologist. Within minutes his comments are on every Editor's desk in Fleet Street, and by morning, being repeated the length and breadth of the country. While the sceptics scoff, the politicians pray. If what has been hinted at is indeed true, it will alter the economic and political fortunes of Britain for decades to come. Out in the North Sea, it is reported, Shell expects to strike oil.

1966

The financial markets of London buzz with anticipation following Shell's discreet announcement of 'a significant gas discovery' 32 miles off the coast of East Anglia. Within two years Shell and other companies are bringing North Sea gas ashore, and with it a dramatic revival for the British gas industry. Plans are made for completely converting the National Grid to natural gas.

1967

Armed with the latest seismic data, two geologists from Shell set up a small office in a tiny flat, over a bookshop, in the centre of Aberdeen. It seems as good a place as any from which to tackle their awesome task. They have been instructed to begin exploration of the vast and hostile waters of the northern parts of the North Sea.

1971

At the northernmost offshore well yet drilled in the world, a veil of secrecy descends over Shell's activities. Communications with the mainland are suddenly coded through 'scrambler' phones. Information is rushed to Shell's scientists for prompt analysis. Until, as abruptly as they began, the exploration team cease all activity, seal the well, and are clearly seen making off for entirely new locations. A simple manoeuvre to ensure that nobody will guess what they have found.

1972

Shell proudly announces the discovery of what will prove to be a giant oil and gas find for Britain, the Brent Field.

1974

The latest analysis of the Brent Field shows that the possible reserves of oil and natural gas liquids are double the original estimate. With Britain's oil deficit still around £3.8 billion, the news is welcome indeed.

1976

The very high ratio of gas and gas liquids to oil being produced at Brent leads to a daring new scheme. A pipeline 278 miles long is to be laid on the seabed, to bring ashore the gas and gas liquids for separation. It will be the longest, and deepest, offshore pipeline ever built and is yet another challenge for British industry. Much of the technology required for North Sea development must be capable of operating in waves of up to 100 feet high, and in gusts of wind up to 100 miles per hour. In this instance, underwater cameras, side-scan sonars and computer systems are needed that will operate 600 feet beneath the sea.

1978

The scheme is a success. Now it will be possible to bring the gas and gas liquids ashore for further use. The gas will be extracted and fed into the National Grid.

It would be possible to split the remainder into ethane, butane, propane and natural gasoline — important resources for industry. To do so, a highly advanced plant, costing many millions of pounds, will have to be specially built.

1980

Work begins on the £400 million Gas Liquids Plant being built by Shell at Mossmorran, and on the 138 mile pipeline that will feed it. Soon Mossmorran will be the largest construction site in Europe.

1982

Oil production from Brent approaches 310,000 barrels per day. This vast quantity helps transform Britain's oil deficit of yesteryear into a surplus of around £4.4 billion.

1984

A VIP gathering to witness the opening of the new Mossmorran plant. Distinguished speakers touch on one or two environmental aspects of the plant, such as how it has been built tucked into the contours of the land so as to be as unobtrusive as possible. Also mentioned are the industrial aspects, such as how the hydrocarbons being produced will ultimately be used in the manufacturing of a thousand and one household items, from lipsticks to records.

But above all, it is noted that the opening of Mossmorran marks the culmination of the twenty years in which Shell, and the countless number of smaller British companies that have worked for her, have invested thousands of millions of pounds and great skill and ingenuity in the North Sea.

With excitement, we all look forward to the next twenty years.

YOU CAN BE SURE OF SHELL

PROPERTY

A nightingale sings in Berkeley Square

BY JUNE FIELD

AS SOMEBODY said in that Jessie Matthews film, *Evergreen*, revived recently on television, it is better to say you live in Mayfair than in Knightsbridge. But that was the 1930s when Berkeley Square was the centre of gracious living, with or without nightingales.

As the commercial element began to overshadow the residential, Mayfair's popularity declined. Now, as gracious Georgian houses revert to part residential, some of the fashionable appeal and village spirit is returning to the Duke of Westminster's 100 acres of Mayfair.

So now there is a new attraction for overseas buyers, who are interested in a prestige address for entertaining, says Linda Beany of Hampton and Sons (with offices in Arlington Street).

With Debenham Tewson and Chinnocks of Brook Street, Hampton's handles the recently refurbished Glendore House in Clarges Street, a block where large flats on 125-year leases have been selling "extraordinarily well" between £280,000 and £495,000.

Sturgis and Sons, with two offices in Park Lane, has always found the Mayfair market a satisfactory one. "*After all*, there is everything here, hotels, shops, resturants and theatres, and there is no need to rely on a car," manager Hugh Treseder explains.

Several Georgian houses in Charles Street have been changing hands over the year. Sturgis had number 18 on offer at £375,000, Weatherall Green and Smith's Chancery Lane office had number 23 at £1¼m. and 33 Charles Street, refurbished by Wates Built Homes was sold by Debenham Tewson and Chinnocks to the Henderson Trust for around £900,000.

Kevin Ryan, Chesterton's South Audley Street office, has a cottage hiden away at the back of 10 Charles Street, under offer around £295,000 to an American corporation. He calls it a street to watch, where good value for money leases regularly come up. Higgs and Hill is building a new block of flats at 16 Charles Street.

Graham Neil, head of Humbert's London residential, which has recently moved offices from Lincoln's Inn to Grosvenor Street, is aiming their market at an international clientele. The firm has just sold 24 Mount Row, W1, which has its own swimming pool, to an overseas company. On the market for some time, the asking price was £3m.

More agents are moving into Mayfair's golden acres. Bargets of Regent's Park has also opened at 89 Duke Street. Weatheralls of the City has a new office at 7 Curzon Street, and from January 2 country house firm *Hilbery Chaplin* will also be at 7 Upper Grosvenor Street.

An imaginative development that particularly captured the village spirit recently, is in Lees Place, named for a Robert Lee who kept a tavern at the entrance to the mews. Tucked away in a quiet courtyard off North Audley Street in the heart of Mayfair, No. 22 is tastefully converted into 23 studios and one-bedroom apartments by Mark Steinberg, a 25-year-old property entrepreneur who recently set up Marcol Developments in Cambridge Gate, Regent's Park.

The flats were on offer from £49,000 to £105,000 for a 59-year lease. Or one could buy the whole block at £1.75m, or so—which is just what a Middle East businessman did, leaving agents Victoria Mitchell, Savills, and Anthony Margo, Keith Cardale Groves, to deal with disappointed customers

Survey on Mayfair Property (free from Peter Wetherell, 47 Upper Grosvenor Street, W1) covers a broad range, from one bedroom flats over the Mirabelle Restaurant at £65,000 for 49-year leases, similar accomodation in Mount Street, close to Scotts Restaurant, £85,000, to a whole building used by a company as *five flats* for their directors, £900,000, off Grosvenor Square. (The largest of London's fashionable squares, it covers six acres, and was first laid out in 1695.)

Anthony Lassman, who runs Lassmans 12 Old Bond Street, W1, also reports considerable activity in Grosvenor Square apartements, where Greek and Indian buyers will happily pay £1½m upwards for spacious accommodation. Lassmans recently sold Christina Onassis' briefly-owned apartment at 15 Grosvenor Square, for close to the asking price of £875,000 for a 50-year lease, and it was not in top condition.

Lassman is now offering what he calls "the most inexpensive top-of-the-market *pied-a-terre* at this exclusive address," a small two-bedroom unit at £190,000. At 48 Grosvenor Square there is a patio-flat with an indoor swimming pool, £395,000 for an 86-year lease.

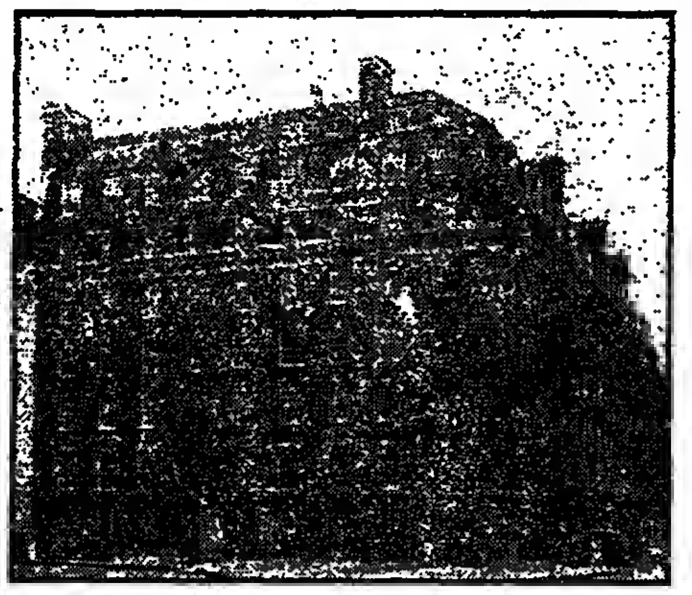
In Chesterfield House, just off Curzon Street, owned by the Prudential for many years, where the apartments were offered for sale for the first time 18 months ago, prices have been creeping up steadily says Lassman.

"Around £100,000 is now the staring price for the smallest two-bedroom, unmodernised flat."

Along from the Grosvenor House Hotel in Dunraven Street, fronting on Park Lane, a house said to be once lived in by Lillie Langtry, is for sale at around £1.6m by the lessees of the four flats there, who got together to obtain a new 60-year lease from the Grosvenor Estate. Details, Sam Shirazi, Specialists Asset Management, 201-207 Shoreditch High Street, London E1.

Property around Grosvenor Square is highly rentable. A company called Pegasi, which manages high-quality furnished flats in high-quality blocks in Knightsbridge and Kensington, also looks after 40 flats at 35-37, Grosvenor Square, where the policy is to let unfurnished to companies for up to four years. Through Andrew Langton, Aylesfords, Kings Road, Chelsea, *there* is a large apartment to rent at £14,850 a year, plus £6,000 for service charges, rates, and so on.

An apartment at Woods Mews, Mayfair, with a roof terrace, 3-car garage and a staff flat, has just sold through Lassmans for close to the quoted pirce of £695,000 for the 72-year lease.



35-37 Grosvenor Square, where unfurnished flats rent at £14,850 a year. Details Victoria Fenwick, Aylesfords (01-351 2383).

GARDENING

The stream at the bottom of my garden

BY ARTHUR HELLYER

WHEN A weatherman announced that this autumn had been the wettest since 1976 I thought how odd it was that the 1984 summer had also been the hottest and driest since that year.

Memories about weather and its consequences can be short and now that we are all complaining about the impossibility of working sloppy soils or caring for slippery lawns I dare say few gardeners consider the possibility that the soil a *foot or so down may* still be dry from the drought.

Two things have called my attention to this risk. First the stream that runs *through* the bottom of my garden, feeding a pool there, ran dry in mid-August. By early September most of the water had drained out of the pool which relies on the native clay of the site to keep the water in and has no plastic or rubber liner.

The water lilies were left standing up like border plants but fortunately this stage only *lasted* about a *week* and they suffered no harm. Then the rain came and the pool filled up again but entirely with surface water, though it was a few days before I realised this.

Then I noticed that there was absolutely no water movement in the stream and clearly the spring which feeds it was not bubbling up. I watched the stream impatiently for water movement to return but it was mid-November when that happened and by then the surface soil was a morass. It had taken two months of intermittent downpour to replenish the deep seated water reserves which force the water to the surface and make the spring operate.

The other reminder of how different things can be below the surface came when I jacked out four old apple trees and found that the soil beneath their roots was still almost completely dry. Precisely the same conditions prevailed after the 1976 drought and I reckon that it then took at least two years for the subsoil water reserves to be completely replenished. Something very similar has happened this year.

The effects of the 1976 drought were to be seen for several years though they were often not recognised as such. One of the odd things about this kind of shortage is that it can affect individual branches which lose their leaves and may eventually die and this kind of damage is usually diagnosed as due to disease.

There is not a great deal that can be done to rectify subsoil dryness but by being watchful for the early symptoms of slowing growth and poor coloured foliage one can be ready to take remedial action before too much damage is done. On occasion I have been able to save valuable plants by dragging out a hose to them and leaving it running slowly for several hours.

Some help can be given to plants in distress by mulching in spring or early summer with compost, peat, pulverised bark, manure or anything else that will cut down evaporation from the surface. With big fruit trees it may also help to prune more severely than usual thus reducing the leaf are and consequently the amount of water the trees will evaporate.

But, whether the subsoil is dry or not, there is no doubt at all that in many gardens the topsoil is much too wet.

Traditionally land draining has been done with eartheoware pipes *laid* end to end without overlap or sealant of any kind so that water can seep into the drain throughout its length and flow *freely* out of the garden. Now a new type of land drain is available which brings the whole process out of the Middle Ages and into the new era of modern technology.

It makes use of a polystyrene material moulded in such a way as to give it great *strength* and yet allow free passage of water. This core, which is four inches deep and ¾ inch thick, is enclosed in a plastic filter fabric named Terran manufactured by ICI. Water seeps through this fabric into the core and then flows along it, provided there is the usual minimum fall for land drains of one foot every 20 feet.

Land Drainer, as this new plastic piping is called, is marketed by Landscaper, a division of BTR Industries, Vincent Square, London. For home garden use it is sold in 15 metre lengths which, because of their flexibility, can be folded into a 24 x 24 x 4 inch pack weighing only 2 lbs. The price is £10.99 per pack and it is expected that, by the spring, it will be available from various retailers including seed firms and DIY shops.

Rentals

Contracts and Tenders

Motor Cars

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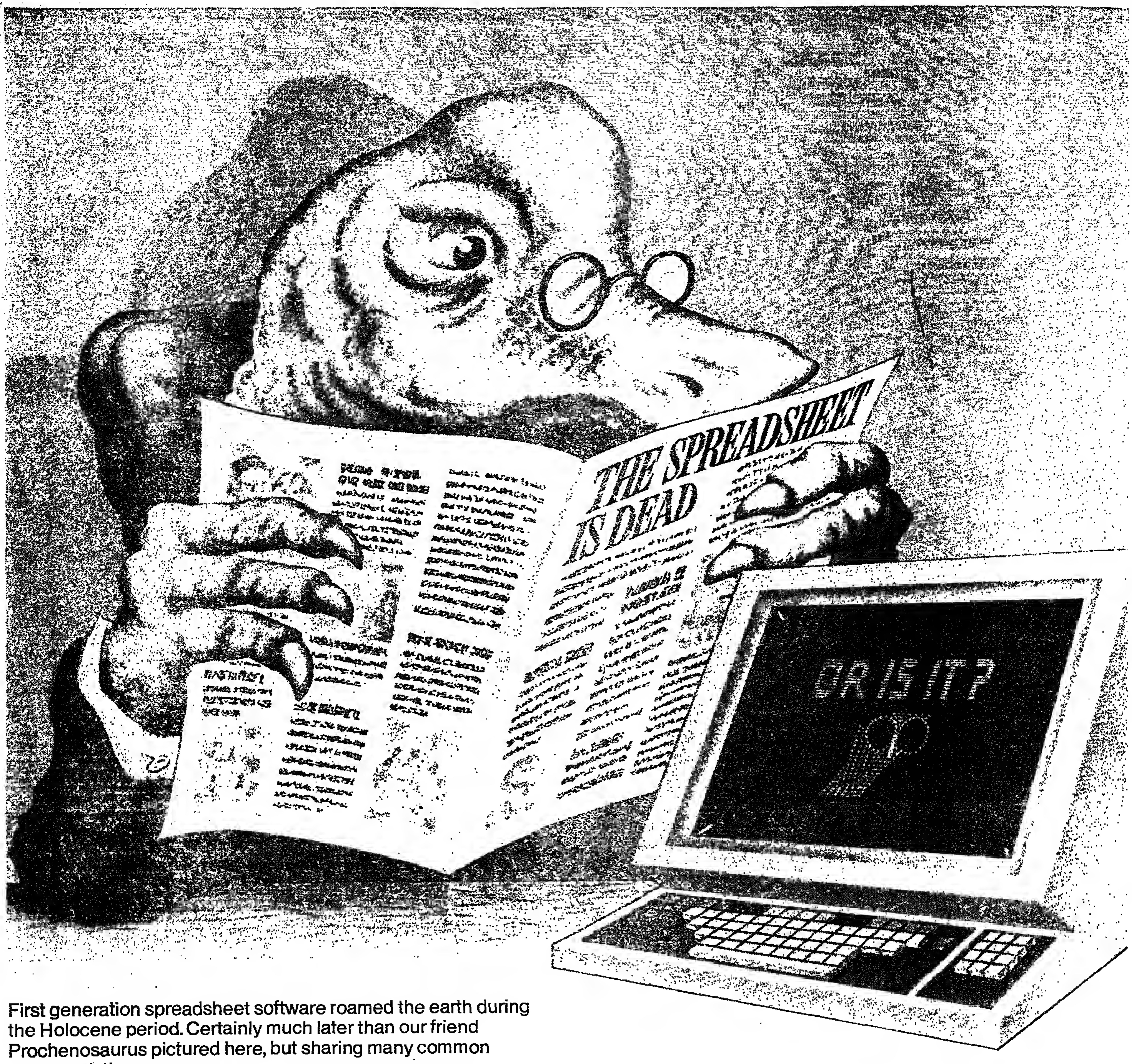

First generation spreadsheet software roamed the earth during the Holocene period. Certainly much later than our friend Prochenosaurus pictured here, but sharing many common characteristics.

Spreadsheet software was adapted superbly to its time and place, but it stopped evolving. Instead it tried to deal with changing circumstances with what paleobiologists refer to as "non survival-orientated bolt-on goodies". This was a blind alley.

Sheer size seemed to be a virtue. For most users, 3,840 ft^2 of spreadsheet was evolutionary over-kill. Just like the brontosaurus.

The operator's manual became dinosaur-like as well.

Elsewhere evolution took another turn, rejecting the ponderous in favour of simplicity and specialisation. This was FT.MONEYWISE.

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Please return to **James Loch, Moneywise Software Limited, 226 Sheen Lane, London SW14 8LD. Telephone: 01-878 8585**

Acid drops

BY MARY HOPE

The Collected Stories
by Frank Tuohy. Macmillan. £12.95 410 pages

Martin Amis has rightly observed that the short story is still an undervalued form. Why should this be? Consider only Elizabeth Bowen, V. S. Naipaul, Gordimer, Lessing, O'Faolain (S. *and* J.), Pritchett, King (in no particular order of merit) and you will see that some of the finest recent work has been in this mode. Perhaps the English reader requires expansiveness and elaboration, shying away from the pointilliste delicacy of perception and sensitivity which has deftly to be compressed into a refined and rarified atmosphere. Perhaps the shocks of revelation are too sharp. I confess to a predilection for distilled essences and welcome with delight Frank Tuohy's complete short stories, now collected together for the first time. To preserve the colour and flavour of some raw vegetables, one must drop them in acidulated water, a technique Mr Tuohy has mastered to perfection in this fine collection.

Mr Tuohy belongs to what could be called, I suppose, the British Council School of writing: here are many foreign-based tales, ranging from seamy, disenchanted encounters in South America, to awkward misunderstandings and tragic failures to take the right emotional and cultural temperature in Japan or Poland, the fatal reading of Fahrenheit for Centigrade in situations of intercultural embarrassment. Then in the later stories, the beady eye of retirement on the twilight pastures of the Home Counties, where snobbery and social discomfiture, that endless source of English inspiration, flourish among the laurels and gravel drives and are used here to counterpoint fundamental human tragedy. Like the character who copes with an evening of almost total misunderstanding and wrongly interpreted social messages in Connecticut, he has a "wry, slightly emetic essence of Britishness, like an overdose of an angostura in a dose of gin," and using this aloof, reserved but amused tone he can convey with the mildest of gestures a whole world of subdued desperation or defeat. His ear for the cadences of a certain kind of middle-class speech is lethal and heart-rendingly sympathetic.

Tuohy: tales of the lecture-circuit

The nuance of failure and under-achievement, professional social and emotional, is the pervading tone. From the plucky, stupid and inadequate Admiral's daughter, married to a Pole in South America in the first story ("What a life! Well, up the Navy! Everything'll turn out all right in the end. . . .") his pitch never falters. But exact social observation is only the tool to prise out stern truths: most of the stories are about the impossibility of communication, about misunderstanding on the deepest levels of human intercourse; the exiled Polish count in "A Survivor in Salvador" finds love where he has thought to misuse sex; an English lecturer at a Japanese university fails to recognise a cry for help (or is it?) from a disoriented (and *dis-Oriented*) student; another English lecturer is pursued from Poland by an unattractive student who demands more than has ever unthinkingly been offered; another finds he has *befriended* not a typical "native" but, "as foreigners often do, has made a friend who, far from leading him on to other friendships and contact with a whole group, was himself already cut off from his own world: a solitary, a dead end."

Again, Mr Tuohy deals with the matter of responsibility, both personal and historical, and the often impossible Forsterian dilemma of one's ability to follow through; of not promising more than one can deliver, of learning not to demand more than can be fulfilled: "no historical debts, whether forged or genuine, can be charged to the account of private individuals. If Miss Rodzinska wanted to be loved, she must try at least to be as nice as other people. And poor, poor girl, she was not."

Bad man caught

BY ZARA STEINER

The Fourth Reich
Klaus Barbie and the neo-fascist connection
by Magnus Linklater, Isabel Hilton and Neal Ascherson. Hodder and Stoughton £9.95, 352 pages

Klaus Barbie awaits trial at St Joseph's prison in Lyons for crimes against humanity. The journalists who have written this book have spent over a year reconstructing Barbie's past, his childhood, recruitment into the SD (the intelligence branch of the SS), his role as Gestapo chief in occupied Lyons, and the dismal tale of his activities in Latin America. A full dossier has been prepared though it is the Nazi chapters that make the most poignant reading. For all their efforts, the authors have found only one bit of written evidence, already printed elsewhere, a telex message bearing Barbie's signature, that directly links Barbie with the mass killings of Jews, the massacre of the Jewish children of Izieu. But there is no doubt about Barbie's identification and his guilt. He was not a small cog in a large machine nor a dealer in papers and numbers. He was the man who interrogated, tortured and killed.

Barbie's life, moreover, is all of a piece. His post-war career is but a continuation of his war-time activities though in a new continent serving vicious but third-rate leaders.

The greater part of this book is not about the "Butcher of Lyons" as Barbie was called but about Klaus Altmann (the name he stole from the gassed rabbi of Trier, Barbie's home town) who began his new post-war life, despite identification as a war criminal, as an anti-Communist agent for the U.S. Army's Counter Intelligence Corps. For four years, CIC protected Barbie from his French accusers and when the pressure became too intense, assisted his escape to Bolivia.

During the next 32 years of his life, Barbie using his contacts with other "*relocated*" Nazis, sought and found many suitors for his services as informer, blackmailer, extortionist, arms supplier and purveyor of intelligence. He found a home in the Bolivian secret service: his SS experiences made him an invaluable adviser to government officials on the techniques of torture.

In the 1970s, he joined with a younger generation of right-wing terrorists fresh from Italian exploits. Barbie and this small group of neo-fascists made themselves indispensible as contact men between the cocaine smugglers and the military aspirants for political power. But the "cocaine coup" of Luis García Meza in July 1980 was one of Barbie's last successes.

After a year in power, the vicious and corrupt Meza fell and a new civilian government was finally installed. The Americans, prodded by their ambassador in La Paz, Edwin Corr, mounted a campaign against the terrorists. Barbie, arrested for an old debt, was finally expelled, taken to French Guyana and then flown back to the scene of his war-time crimes.

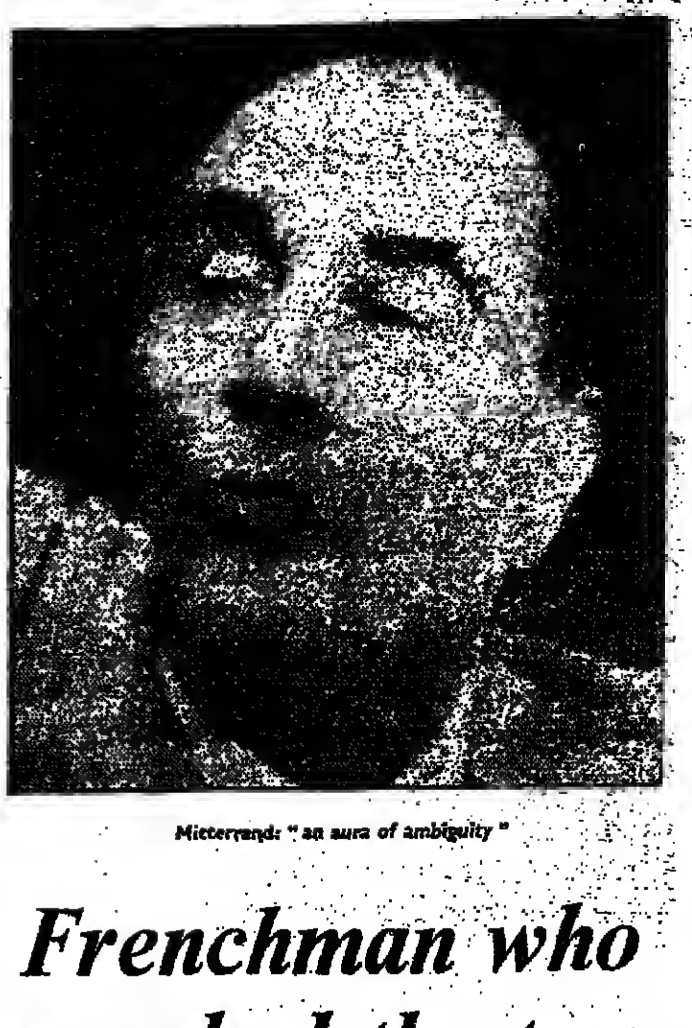
The tedious and horrifying details of the manoeuvrings of the Nazi "Kamerader" and a new generation of neo-Fascist terrorists in the muddy waters of Latin American politics tend to obscure the figure of Klaus Barbie. So much evil dulls the sense. In the end, it is not Barbie's life, despite its unending succession of heinous crimes, that makes this book so depressing. One feels no sympathy at all for this specialist in extortion and torture who found such willing employers. Whatever happens to him can in no way compensate for what he has done to others. It was such feelings that led a young *French Jew* to pocket his gun when within shooting distance of Barbie in 1975. What sickened this reader was the ever lengthening list of people of all nationalities who were Barbie's accomplices, who hired him, helped him, and all too clearly resembled him in thought and action.

If and when Barbie comes to trial, old sores will be reopened and old scores repaid. But it is not just the hands of his French accusers that are unclean. How many nations today call on their own thugs to perform Barbie's part in their own political dramas and how many people are daily implicated in acts not fundamentally different from those depicted in *The Fourth Reich?* It in no way excuses Barbie but he can rightly claim that he should not stand alone in the dock. This book underlines what we all know but would rather forget. Bestiality did not die with the Third Reich.

Truce

The cessation of hostilities in parts of the Western Front in December 1914, and the ephemeral, festive accord that arose between the two sides, was a blessedly lucid interval in the prolonged carnage of world war one. The whole episode has now been documented with illustrations by Malcolm Brown and Shirley Seaton in Christmas Truce (Secker & Warburg, £14.95, 228 pages).

A.C.



Mitterrand: "an aura of ambiguity"

Frenchman who reached the top

BY ERIK DE MAUNY

Le Noir et le Rouge, ou l'Histoire d'une Ambition
by Catherine Nay. Bernard Grasset, Paris. 95.00 Fr francs. 383 pages

This new biography of President Francois Mitterrand has already won a prize and created something of a stir in France. Asked his opinion of its author, Catherine Nay, its subject is reported to have murmured "*manque de talent.*" But as M Mitterrand has been known to change his views frequently in the past, this need not be taken as a definitive judgment. It is, in fact, a cool and perceptive assessment of one of the cleverest yet least predictable politicians to have enlivened the French political scene in the past four decades.

Around M Mitterrand there has always hung an aura of ambiguity, even of mystery, an aura which he has sedulously cultivated. One can admire the singular tenacity of his long struggle to reach the summit: it is the halting-places he has chosen along the way that have often made him inscrutable to his friends and suspect to his adversaries. Catherine Nay's reversal of Stendhal is an amusing notion, but the key to her study really lies in its subtitle: from his very early days, Francois Mitterrand was unshakably convinced that he had a destiny to fulfil. And so, patiently and in great detail, this biography follows his gradual progression from a conventional Catholic upbringing to a lyrical advocacy of socialism.

It has by no means been a steady or consistent progression, but one punctuated by many retreats, feints and false manoeuvres, together with several picaresque interludes: the one constant factor has been ambition. With that ambition fulfilled, no wonder M Mitterrand so visibly relishes the view from the Elysée Palace. Catherine Nay deftly conveys the transformation:

> Dans l'opposition, il faisait songer à un buste romain à la lippe maussade qui attend toujours de devenir une statue en pied. Au pouvoir, il parait se mouvoir sur un coussin d'air. Pour un peu, on le croirait capable de marcher sur les flots . . .

By his own admission, M Mitterrand was a late convert to socialism. In his student days he had flirted with various right-wing movements, including the Croix-de-Feu. With Marshal Pétain installed as head of the French State, he worked for a time with the Commissariat for Prisoners of War in Vichy (he himself had been captured in June 1940 but escaped on the third of three attempts). Later, he courageously denounced Laval's collaborationist policy and joined the Resistance. But when he travelled to Algiers, he was cold-shouldered by de Gaulle and conceived an enduring resentment of the General. From the moment de Gaulle returned to office in 1958, M Mitterrand steadfastly presented himself as an opposite pole of attraction: and it was this, together with his almost uncanny skill in manipulating the various opposition factions to his own advantage, that paved the way to his eventual triumph in May 1981.

In short, his has been an extraordinary career, and one which may still contain a considerable capacity to surprise.

Lollipop lady's march

BY ANNALENA McAFEE

For aged eight and over, It's Funny When You Look At It (Hutchinson, £4.95, 96 pages) gives absurd verse (shades of Belloc) and matching drawings, both provided by Colin West. Pamela Oldfield's anthology of stories and poems, Hurdy-Gurdy (Blackie, £5.95, 95 pages) is also a good book for dipping into.

Diana Webb gives us an unlikely super-heroine in the light-hearted Lily the Lollipop Lady (Hodder and Stoughton, £3.95, 48 pages). When Lily is threatened with redundancy she travels to London to protest. On her way she becomes a national celebrity and even gets to meet a Royal Personage. Excellent illustrations by Anni Axworthy.

For children ready to tackle their first novel, Bernard Ashley's A Bit of Give and Take (Hamish Hamilton, £2.75, 94 pages) is set on a bleak, inner-city council estate. Scott rescues a kitten trapped in the refuse bin underneath a block of flats and persuades his mother to let him keep it, despite council rules forbidding pets on the estate. But interfering Mrs Prescott from along the balcony finds out about the kitten and, after accusing Scott of stealing her milk to feed his pet, threatens to tell the council. Scott turns detective to uncover the real milk thief and reveals an unlikely *culprit*. This subtle story of a lonely child with a rich imaginative life is illustrated with sensitive line drawings by Trevor Stubley.

Equestrian enthusiasts, aged between eight and 12, with a fondness for mystery stories will be delighted by Jo Furminger's Blackbirds and the Midnight Horse (Hodder and Stoughton, £5.50, 122 pages) while balletomanes will welcome James Riordan's Stories of the Ballet (Hodder and Stoughton, 124 pages) which at £5.95 seems good value for a large format book. With distinctive, albeit rather dated illustrations by Victor Ambrus and a foreword by Rudolf Nureyev, the book retells simply the stories of favourites including Petrushka, Swan Lake, Giselle and Nutcracker.

Recent history with a child's eye view is provided by Elizabeth Lutzeier's No Shelter (Blackie, £5.95, 127 pages). German orphans Johannes and Kathrin seek refuge in war-time Germany. Although brought up to believe in Nazism, Johannes gradually sees the harsh reality behind the creed as the children move through a landscape of suffering. A happy reunion at the close of the book seals a delicately wrought, sophisticated story.

For the 11-plus group, prize-winning author Diane Wynne Jones has produced a zany mystery in Archer's Goon (Methuen, £6.95, 241 pages). A group of wizards takes over a town, controlling gas, electricity and money supplies. The central character, Howard, attempts to save his town from this yoke and learns that the municipal takeover is just the start: the wizards are bent on world domination.

For the many children who like nothing better than to scare themselves witless, Aidan Chambers has compiled a flesh-crawling collection of ghost stories, old and new, in Shades of Dark (Patrick Hardy Books, £5.95, 136 pages) which boasts a refreshingly good cover illustration by Alun Hood. More phantoms are offered in Vivien Alcock's tautly written Ghostly Companions (Methuen, £5.95, 124 pages). A ghost story with a very modern theme is Terrance Dicks' The Ghosts of Gallows Cross (Blackie, £6.50, 119 pages). Six children attempt to uncover the secret of a haunted inn and find a gang of terrorists with a stolen, armed nuclear missile launcher.

For older readers, Michael A. Pearson uses his own experience as a teacher in Winners and Losers (Methuen, £5.95, 111 pages), a collection of short stories about the third form of Swanswell Comprehensive. Funny, sensitive, irreverent and superbly written, Mr Pearson's stories are a joy to read. It is no surprise that some of them have already been broadcast on BBC radio.

Joanne Webster's Marigold Summer (Hodder and Stoughton, £5.95, 111 pages) is aimed at teenagers and its story of a 16-year-old girl on the run from a stifling home life will appeal to many young people.

The Queen's Guard Chamber, Windsor Castle, fitted out temporarily as a chapel by George III—one of many sumptuous illustrations in David Watkin's "The Royal Interiors of Regency England"—from water-colours first commissioned by W. H. Pyne 1817-20 (J. M. Dent, £15.00)

Wheels of youth

BY ISABEL QUIGLY

Down From the Hill
by Alan Sillitoe. Granada, £7.95. 218 pages

The Killing Fields
by Christopher Hudson. Michael Joseph, £9.95 (Pan paperback £1.75) 249 pages

Five Rehearsals
by Susanna Johnson. Chatto and Windus, £8.95. 152 pages

The Foreigner
by David Plante. Chatto and Windus, £9.95. 237 pages

Down From the Hill by Alan Sillitoe is nearly four fifths about a 17-year-old boy's bicycle ride, 250 miles from Nottingham and back, at the end of the war, in 1945, on holiday, from his factory job; and just over a fifth about his modern return to the same places 38 years later. The latter part is disappointing but the main body of the book is a fine period piece, unobtrusively exact about that one particular week in which the Labour victory in the first postwar general election was announced, though the boy cut off from ordinary life for that single highly-charged period hardly knew of it or noticed.

Sillitoe writes with almost Lawrentian exactness and heat about the simplest of things: a boarding-house breakfast with Irish labourers; a cheery solicitor's son from Oswestry who, like all the others met briefly, is given his home-town name (Oswestry or even Ozzie); the exhilaration of a long downhill run; the taste of the plainest food to a hungry, unfussy adolescent. A pity to look back from a middle-aged present in the last, by comparison uninteresting, section. But well worth reading for the fervent first pages.

Christopher Hudson has a line in documentary thrillers set in terrible modern realities, and *The Killing Fields* is about perhaps the most terrible of them all, the Khmer Rouge Cambodia of the mid-1970s. It is more documentary than his other two novels, being the fictionally told true story of an American journalist and his Vietnamese friend, whose involvement with Americans is, as things turn out, the sure way to disaster.

At first it reads like a fairly ordinary tale of sharp-talking journalists involved in the dangers of war-reporting, but it soon moves on to become much more exciting, more feeling and more painful, the story of one man's escape from an unimaginable world where evil has been instilled in thousands from infancy and only mass killing and torture can satisfy the lust of those trained in brutality and ignorance. Millions died. We are told of a few deaths, a few of the more spectacular torments suffered, the disembowelling, the tearing of babies limb from limb; but the agony isn't laid on so heavily that it becomes impossible to take in, there's the right artistic reticence and no revelling in horror.

Two heroes, culturally far apart but humanly close, share the narrative and our sympathy: the American journalist Sydney Schanberg and his friend Dith Pran. While Sydney, having got Pran's wife and children out, agonises at home and wins fame for his reporting of what's happening in Cambodia, Pran, disguised as a peasant taxi-driver, is surviving slave labour, daily killings, concentration camp conditions, escape, and a passage through the "killing fields" where thousands rot unburied. That he will come through seems impossible; that he did, in real life, is a fact. Very tight, imaginative, unexaggerated writing. A film of the novel has just been released.

Susanna Johnston's *Five Rehearsals* is a first novel and an amusing one. It is about a women's obsession: Vanessa is crazily in love with an appalling man. The five rehearsals are her five attempts to give him up. Alas, they are four too many. This seems to me a spun-out short story that would have been much better at a fifth of the length, since nothing develops, we know from the start what the awful Johano is like, just what his appearance, his terrible manners, his antics and demands are. But it is all vivid and funny, very well done.

One of David Plante's novels is called *The Ghost of Henry James*, so it isn't surprising that he's a celebrator of transatlantic innocence in a very foreign, very guileful Europe. *The Foreigner* is about a French-Canadian (but U.S.-born) young man visiting France, then Spain, for the first time: deeply alien, deeply self-absorbed, he moves through the glitteringly pure prose of an unexplanatory, almost dreamlike narrative, carrying a mysterious package and a letter across frontiers, losing and regaining precious, precarious money, coping with the confusion of Spanish railways, involved in a strange triangular relationship with a black American woman and her white lover: always the outsider, wary, uncensorious, precise and necessarily anecdotal, since none of it connects or flows on to the next incident.

It is an interesting, though baffling, way of writing, without explanation or elaboration, the setting down (and building up) of incidents with an almost mosaic-like technique, the assembling of atmospheres. Few parallels suggest themselves in English writing, more perhaps in Italian and French. Chatto have also reprinted in a single volume (paperback £5.95) Plante's three novels about a French-Canadian family living in Rhode Island, *The Francoeur Family*.

Crime

Stalker by Liza Cody, Collins, £6.95, 163 pages

This is the third novel in the series featuring Anna Lee, private investigator. Here the attractive young agent is led first to the seamier areas of London, then to Exmoor, and then into the labyrinth of love. As this itinerary indicates, the latest book by Liza Cody is somewhat less compact than its predecessors, but the charming and original personality of the protagonist holds the story together and keeps the reader alert.

WILLIAM WEAVER

Maple leaves

By W. L. LUETKENS

Home Sweet Home: My Canadian Album
by Mordecai Richler. Chatto & Windus/The Hogarth Press, £12.95. 291 pages

The Penguin Book of Canadian Verse
revised edition edited by Ralph Gustafson. Penguin Books, £4.95. 662 pages

Throwing these two very different books together into one review is bound to raise anew a question that should have been answered once and for all a long time ago: is there such a thing as a specifically Canadian literature? Whoever reads either book will probably answer that there are Canadian writers of merit — a point that was not at all obvious one or two generations ago. But specifically Canadian literature? The reviewer feels that such a thing neither does, nor might to, exist. Canadian writers are part of the mainstream of English (or for that matter French) literature, and there is no reason whatever why it should be otherwise.

Mr Ralph Gustafson, contributor and editor, comes to a different conclusion in his introduction to the Penguin Book. He sums up the characteristic quality of Canadian verse in the word "north." The reader will not find a polar bear peering from every page. Some of the writing is derivative, some original; some poor, some excellent. The accomplishments of a writer like Margaret Atwood, poet and novelist, do not need stressing here. There are others in this collection whose verse will reward the reader.

Their work never does stray very far from the English tradition, meant here not as the parochial tradition of a part of the United Kingdom, but as that of a language spoken, written and read in many countries. (Even pidgin gets its chance in Henry Drummond's rather patronising attempt to pay his respect to the French Canadians.)

Canadian writers, among them some included in the Penguin anthology, have for a quarter of a century profited from grants disbursed by a government agency, the Canada Council, in the hope that by encouraging letters and the arts it might also help to create a firmer Canadian identity. It is a moot point whether this approach to the perpetual and by now wearisome question of Canadian identity has worked. The country's most evident characteristic is that it is shared by speakers of English and French, not to mention a clutch of smaller linguistic groups. So, strictly speaking, macaronic verse would serve best.

Some of the more foolish or even dangerous aspects of half-baked cultural nationalism are well spoofed in Mordecai Richler's collection of essays, *My Canadian Album*. Unhappily the collection remains disjointed and rarely rises above the level of competent magazine work. Mr Richler has given a better picture of Montreal in *The Apprenticeship of Duddy Kravitz*, and a sharper indictment of cultural nationalism in *The Incomparable Atuk*.

Home Sweet Home lacks the originality of those novels; its picture of Canada is one-sided, perhaps inevitably, coming from a writer of such mordant humour. English readers will make little of long chapters dealing with the decline of the Montreal ice hockey stars or the failure to rise of the city's baseball team.

But they may find some of the flavour of Canada in Mr Richler's recollection of an immigrant from Europe who said that the point about Canada was its lack of the nationalist tradition that has wrought so much havoc in the world.

HOW TO SPEND IT

by Lucia van der Post


David Gannaway, member of the wine committee of The Wine Society


Giles Townsend, Wine Buyer for The Savoy Hotel


Duncan McEuen, a director of Christie's wine department


Joanna Simon, editor of Wine and Spirit magazine


Edmund Penning-Rowsell, the FT's wine correspondent

Pictures by Hugh Routledge

The best of the bubbly

THERE is no more agreeable wine to drink than champagne. Once it may have been the exclusive prerogative of the rich but today, with supermarkets and high street stores selling their own house brands at remarkably low prices, champagne is within reach of us all, if not for every day at least as an occasional treat.

How much, we wondered, did they vary? Exactly how big a difference in quality was there? Was it really worth paying the difference between the most expensive and the cheapest brands or could shoppers buy on price alone? How could the ordinary consumer choose from all the brands available?

The best way we decided, was a blind tasting. Five distinguished judges agreed to oblige. Headed by the FT's own wine writer, Edmund Penning-Rowsell, they included Joanna Simon, Editor of Wine and Spirit magazine, David Gannaway, a member of the wine committee of The Wine Society, Duncan McEuen, a director of Christie's wine department and finally Giles Townsend, Wine Buyer for the Savoy Hotel.

The Savoy Hotel generously played host, lending us one of their lush river room suites where an agreeable couple of hours was spent ruminating over the glasses.

Edmund Penning-Rowsell recommended that they should taste no more than 10 different wines. To taste seriously, he says, it is among the most difficult of all wines. First, because the natural acidity builds up in the mouth; secondly because a degree or two difference in temperature makes all the difference in bouquet and flavour.

"Last week in Rheims," he writes, "the head of a distinguished firm, with vineyards on a top Montagne de Rheims village, said that he thought the maximum advisable at a comparative testing was six. The head of a firm here in Britain which imports one of the most esteemed brands was a little more generous: 10, he thought, was the maximum to make sense of the wines in the tasting room."

Ten, therefore, was the chosen number, all of them non-vintage—a mixture of Grondes *Marques* (Laurent Perrier, Moet & Chandon and Perrier-Jouet); secondline but well-esteemed champagne houses (Alfred Gratien sold by the Arthur Rackham chain and Joseph Perrier imported by Hawkins & Nurick of Rutland); buyers-own-brands sold in supermarkets and off-licence chains (Barrett's, L. Bernard, Cullen's Marcel Rouet, Marks & Spencer's Brut from the Union Champagne co-operative on the Côte des Blancs, Oddbins' Comte de Blanzac and Sainsbury's Brut from the leading B.O.B. house of Duval Leroy). Only two brands (Marks & Spencer and Sainsbury) were repeated from our tasting of a couple of years ago.

All the wines were tasted blind and entirely independently at the correct temperature, neither frozen nor flabbily warm.

For readers who'd like to develop their own palate for champagne here is Edmund Penning-Rowsell's advice on what to look for: "First, a clear-coloured wine with a good, but not excessive ginger-beery, mousse of bubbles. Secondly, a clean, fresh but fruity aroma with no "off" odours.

"Then, the flavour should be similarly clean and fresh, though the depth of flavour may vary from brand to brand. Some like a very crisp young wine, but it should not be immature or green-tasting like all too many "wedding" champagnes. Others prefer a fuller wine that may come from the blend of grapes or from fairly lengthy bottle age. Although non-vintage champagne may be sold a year after it has been put into bottle for the second fermentation that provides the sparkle, the more responsible houses in the Champagne district reckon to keep their non-vintage blends for three years."

The most interesting facts to emerge from this tasting as compared with the one we held two years ago is that whereas last time the judges unanimously thought the general standard was extremely high and that they would have been very happy to have been given any of them, this time they detected a bigger variation in standards. The finer quality wines on the whole showed their class and the judges were generally disappointed with those at the bottom of their lists, using in several cases quite severe words (though there was an extraordinary disparity in the ratings given to Oddbins Comte de Blanzac). Whereas last time the general conclusion was that you might almost as well buy on price as they were all so good, this time the judges recommend taking much greater care.

For the judges verdicts read on. Champagnes are listed according to the judges' order of merit.

LAURENT-PERRIER, £8.65.

This champagne came a very good first with the tasters — with three out of the five judges (Edmund, David Gannaway and Duncan McEuen) all placing it at the top of their lists, while Joanna placed it second, and Giles Townsend placed it fourth. Before any of the identities of the bottles had been revealed, gentle murmuring of "this now is a *real* champagne" could be heard. Edmund liked its pale colour, its fine and elegant nose and called it "distinguished." David Gannaway thought it was finely balanced with a good, fully fruity nose, and Duncan thought it had the best mousse with a positive nose, good flavour and had been made with "finesse."

ALFRED GRATIEN, Cuvee de Reserve, Brut, from Arthur Rackham, a South London chain, £8.99

This champagne is also bought by The Wine Society and scored exceedingly well with the judges with both David Gannaway (to his relief as he is on the Wine Committee of the Wine Society!) and Edmund rating it number two. Joanna Simon and Duncan rated it third and Giles Townsend liked it best of all.

"Flying High" was how the judges described this champagne with David Gannaway remarking that it showed a good colour with a mature nose and a long flavour. Duncan, too, thought it had a good length (a wine buff's way of saying the flavour lasts and doesn't disappear in the mouth too fast), was light but with a good balance. Giles, who placed it first, liked its pronounced flavour and also commented on its "long finish"—he declared it a wine he would buy personally.

MARKS & SPENCER, Blanc de Blancs Chardonnay, £7.25

On the whole this champagne was given quite high marks with David, and Edmund placing it third. Duncan and Giles each placing it second but Joanna rated it ninth (that is, second last). Joanna felt that it had a light apoley, slightly yeasty nose. She found it commercial, immature and a bit bland.

Those who liked it, like Edmund, thought it very elegant with a distinguished flavour though he thought it lacked a little in the middle. David Gannaway, too, liked it but thought it a little thin while Giles Townsend liked the mousse, thought it had a good long flavour — in all a very nice wine he would buy himself.

MOET & CHANDON, £8.99

This champagne earned identical marks to Sainsbury's own brand and Perrier-Jouet. Duncan and Edmund liked it better than the other judges, each of them rating it fourth overall — Duncan thought it had rather large bubbles but thought it had a nice balance and was overall a good full wine though possibly a little short. Edmund thought it had a nice fruity nose and tasted like a fine wine if a little heavy.

Joanna Simon rated it fifth, remarking that it had not much nose but a good mousse and a well-knit biscuity palate but she, too, thought it finished a little short (wine parlance for saying the flavour isn't quite full enough with no real after-flavour). Giles Townsend, though, liked it least — he thought it had a good mousse but was rather sweet in style, lacked breeding and was not for him.

PERRIER-JOUET, Grand Brut, £9.95

Joint fourth with Sainsbury's and Moet & Chandon, this was liked most by Joanna Simon ("A gentle biscuity nose, good fruit, slightly green, delicate") and David Gannaway ("pale colour, lively, rather hard finish") both of whom rated it fourth. Edmund and Duncan each rated it at number seven.

Edmund thought it didn't have a very distinguished nose and was a little coarse, while Duncan thought it had a good fruity nose but was rather high in acidity. Giles Townsend liked at least, rating it at number eight and declaring that it was a pleasant wine of medium weight.

SAINSBURY, Extra Dry, £5.95

Rated on par with the previous two champagnes, the voting was fairly even with all the judges giving it ratings somewhere between five and seven. Edmund rated it highest, placing it at number five though remarking at the same time that it had a chocolatey nose and taste and the flavour stopped a little short.

Three judges—David, Duncan and Giles all rated it at six with Giles declaring it to be yet another of the wines he would buy himself ("good mousse, buttery nose, light weight"). David thought it had a yeasty nose but was full-flavoured, though the flavour faded a little quickly. Duncan thought it a rich wine though not a great one with a slightly bitter finish and not enough length.

JOSEPH PERRIER, £9.50 (or £8.99 at Majestic Wine Stores)

There was quite a variation in the judges' opinions on this champagne with Giles Townsend rating it at number three and Duncan McEuen putting it last. It's another of the ones that Giles would buy (he's going to have a lovely cellar)—he declared it a well-flavoured nice wine—while at the other extreme Duncan didn't like it much: thought it thin with a poor finish and high acidity.

In between there was David Gannaway who rated it number five saying that it was a full rather heavy wine with a good flavour. Edmund rated it at number nine saying that it was rather heavy on the nose and had a rather dull flavour.

COMTE DE BLANZAC, Oddbins, £5.99

This champagne produced perhaps the most interesting result of all, encouraging for all novices—Joanna Simon rated it too saying that it had a "big fruity nose and palate, was a big wine being well balanced with a good finish." Both Edmund and David Gannaway rated it bottom of all, Edmund saying that it had little nose, a common flavour and was slightly heavy. David was strongly agin' declaring it flabby and rather sweet and heavy, putting an emphatic no against it.

It found little better favour with Duncan who put it at number nine and found it a bit short and ordinary with a poor mousse. Giles Townsend put it at number five, would personally be happy to buy it and thought it had a good mousse, a full flavour and indeed had great elegance with a long finish.

L. BERNARD, Barrett's Liquor-mart, £5.49

This was not generally much liked being rated highest by Duncan McEuen who put it at number five and declared it to be "a bit coarse but quite gutsy and fun." Edmund put it at number six and thought it pale with a fair nose but rather coarse. David Gannaway rated it eighth and said that it had a slight age on the nose and was rather rough. Giles Townsend put it at number seven thinking it very light in style with little character and a short finish. Joanna liked it least of all and put it number 10 saying that for her it had "rather brutal cherry fruit nose with a curious "sticky" finish." She, too, thought it coarse.

MARCEL ROUET, W. H. Cullen £6.99

This champagne was rated lowest of all with Joanna Simon giving it the highest rating (at number six) of the judges and two (Duncan and Giles) rating it at number nine and the other two putting it at number eight. Joanna thought it had a fine mousse and was "a sweety." She thought it a delicate, light weight wine that would make a nice aperitif.

Duncan thought it had a slight nose with a poor palate and declared it on the whole to be slight with little acidity. Edmund thought it pale with hardly any nose and an undistinguished flavour. David Gannaway found it had a "rubbery nose" was thin and miserable and lacking fruit while Giles Townsend thought it a little meek with a short finish.

Toys for the boys

By CHRISTOPHER WARD

AROUND THIS time of year phone hardly stops ringing with calls from other men's wives or girlfriends all asking the same question: what on earth can I buy him for Christmas?

The reason I'm regarded as an oracle on this matter is that I seem to possess many objects of other men's envy. None of them very expensive, I hasten to add, but all of them admired and commented upon. So I'll tell you what I tell these wives and girlfriends: all men are boys at heart. Beneath every chief executive's suit is the uniform of a boy scout and if you forget this, you risk giving him something he can never love and causing guilt and disappointment at present-opening time.

Like the boys we still are, men set their hearts on very specific objects which they want and for which there is usually no alternative.: I use the word want instead of need, because need very rarely comes into it. In fact I would go so far as to say that to men/boys the desirability of an object is in inverse proportion to its usefulness. The fact that a man has no need for, say a pocket knife does not detract in any way from its desirability. Women, dear creatures don't understand this, just as they don't understand the importance of buying precisely the right model or version of whatever it is a man wants.

A wife, reasonably, assumes that her husband would like a camera for Christmas because she saw him admiring someone's camera on holiday last summer. So she buys him a camera. How very kind. But he doesn't want a *camera*. He wants a Nikon AF35M which is not the same thing at all, although it happens to be a camera and indeed bears many resemblances to the camera he is given. When he opens it, he feels all the disappointment of a small boy whose parents have given him a Matchbox toy Ferrari when he had set his heart on a Matchbox toy Porsche 911F.

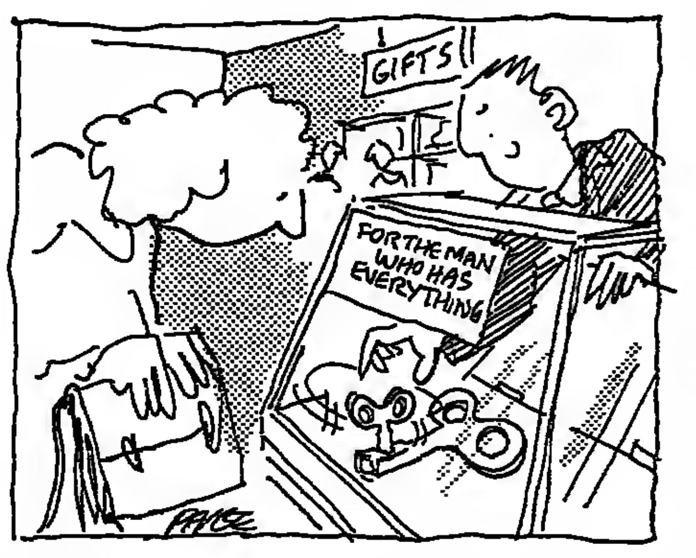
All the objects listed in this article are owned by me and they all have one thing in common, besides being stylishly designed and treasured objects: they work rather better than they are ever required to by me or, I suspect, anyone else.

The big attraction of the Aladdin Stanley vacuum flask, for instance, is that it can be dropped from an aeroplane without breaking. (The model I have is nearly 40 years old and actually came with a photograph of such an unlikely test taking place.) I don't have plans to drop mine out of a plane, but the reassurance that the flask will withstand such an impact far outweighs any disadvantages, such as its weight and the fact that it has to be pre-heated or pre-chilled to do its job. It costs more than flasks that can't be dropped from 29,000 ft but in my view £16.49 is not a lot for a heavy-duty flask that will last you a lifetime.

You get the same kind of durability and efficiency with Mag-Lite torches which are so tough that some New York policemen use them as night sticks to club aggressors into submission. Their powers of illumination are even more striking, especially when they are fitted with a krypton bulb which cuts through the night like a laser.

I have the six-cell version, but you can also get two, three, four, five and even seven-cell models, in C or D cell sizes. They start at £24.43 which is admittedly a lot for a torch but not a lot for a piece of water-resistant, precision engineering. An absolute must, I would say, especially if he does not need one.

Just as Stanley flasks can be dropped from planes, so Samsonite aluminium cases will withstand being trodden on by an elephant. They are also more or less waterproof, which is essential, of course, if you are in the habit of encountering elephants under water. They make ideal camera cases, but I have two which I use for other specific tasks, including carrying ammunition. It's nice to have a case at last that can do more damage to a baggage handler than he can do to it. Made of reinforced aluminium,



sizes, from £47. If you are buying one as a camera case, make sure it is filled with foam and is larger than he needs at present — he may buy himself an extra lens for Christmas.

Puma is the Rolls-Royce of pocket knives. Unlike the famous Swiss Army knife, they don't pretend to do anything else but cut, but they do that superbly. I don't often need a knife and if I couldn't have a Puma I wouldn't have one at all.

The blades are made of finest Solingen steel, can be opened easily but, most important this, lock open so they can't snap shut on your fingers.

Twelve years ago I broke the blade on my first Puma Backpacker when I slipped cutting goosefeathers. I returned it to the factory for a replacement blade, and Puma sent me a new knife with a very Teutonic letter denying that its knives ever break. The new one has certainly borne out that claim. It costs £27.70.

If something less macho might make a more appropriate gift you should consider a Montblanc fountain pen. Montblanc makes a fountain-pen-... t was given for Christmas four years ago is the jumbo one and it's a joy to write with (not to mention the hidden benefits of an ink capacity approaching 22 gallons), it made me care about my handwriting for the first time since leaving school and it looks so important.

When I used it to fill in a blank cheque at Cartier, the assistant declined to see my cheque card, saying graciously that "only a gentleman would write with a fountain pen like that, sir." It's that kind of pen. I broke the cap recently and Montblanc replaced it free of charge. This kind of service makes the steep price easier to bear: £125.

In the same jacket pocket as my pen is my heart-shaped gold money clip, from Asprey, another treasured Christmas gift. Not for the fussy man who likes to keep his money neatly filed into separate leaves of a wallet, but an essential piece of kit for those of us who tend to have fivers and pound notes scattered around every pocket in our suits. The argument against money clips—"if it falls out of your pocket you've lost the lot"—doesn't hold water. At £195 a time, Aspreys gold money clips concentrate the mind wonderfully.

The "but-what-if-you-lose-it" doom merchants are also the most vociferous opponents of the Filofax loose-leaf system.

Presumably they don't buy houses, on the grounds that they sometimes burn down. My own Filofax contains all my notes, address book, diary, credit cards, family photographs, as well as maps, metric conversion charts, kidney donor card and an emergency £50 note, and, yes, it would be a disaster if I lost it. On the other hand, it would have been a disaster if I had never had one. I can't think of any man who couldn't put a Filofax system to some use, even if it were only used as an address book or diary.

A word of warning here: Filofaxes are such a personal decision that it's almost impossible to guess correctly the colour *and* the size of ring-binder that will go down best, so make sure he can exchange it, if necessary. I find the quarter-inch ringbinder (capacity 30 pages) too small; the seven-eighths (200 pages) too bulky. I suggest you go for the half-inch (120 pages) which is more than adequate to service the needs of the normally busy man.

My next suggestion will not make a suitable present for the man suffering from techno fear.

But for the rest of us (especially those who travel a lot and like to keep in touch with the news via the BBC World Service) the Sony ICF 7600D does for radios what Jane Russell did for the bra. The size of a paperback book, this digital, push-button radio has the capability of locating precisely any radio station in the world, including, it must be said, Radios 1, 2, 3 and 4.

It has built-in clock and can thus wake you with the news. It is also technologically very pleasing and *efficient*. But what appeals to the boy scout in me—and in other men—is its ability to do what none of us actually need it to do—to listen to the news in English from Radio Hanoi (10040 Khz) at the touch of a button.

I never travel anywhere overnight without mine. And if £150 seems a lot, console yourself with the thought that just reading the instruction book will give him hours of pleasure.

It's amazing how many techno-men shun quartz technology when it comes to watches. Rolex makes a quartz version of its famous Oyster Perpetual Datejust, accurate to a second a month, but I still prefer the real thing, the stainless steel, self winding chronometer which I bought myself for my 21st birthday 21 years ago for £75.

It's £662 now and it can't compete with a £10 Casio for accuracy and functions, but it has *style*.

If none of these presents might appeal to your man, there must be something very wrong with him. But don't despair. He would have to be delighted with a shirt from Turnbull and Asser, one of the few shirtmakers still to provide a shirt-tail long enough to reach the top of a man's thighs. This is a luxury for any desk-bound man who otherwise has to tuck his shirt back into his trousers at least five times a day.

Turnbull and Asser are as generous with the material that they put into their ties and bow ties, which look and feel substantial. It's hard to make a mistake with anything from Turnbull and Asser because their taste in materials is very sound. Their shirts start at £50, ties at £15, and bow ties at £10.

My last suggestion is an ice bucket. But you already *have* an ice bucket, I hear you say. But do you have an *airtight* ice bucket which keeps the ice from melting? This is the kind of detail that matters to men in general, and boy-scout men in particular. Asprey does a range of silver ice buckets which keep the ice frozen for up to 24 hours. They cost from £155. Many other shops do them, including Heal's. Expensive? Certainly. But because you took the trouble to find a *proper* ice bucket, he'll know you really

THE ARTS

Tales sans fairies

The Oxford English Dictionary, in a rare moment of literalistic daftness, defines a fairy tale as "a tale about fairies." We know, of course, better. Fairy tales are no more confined to portraying fairies than Russian salad is confined to being served in Russia.

Fresh from MGM/UA now comes "Fairy Tale Theatre" to prove the point. There are 10 titles so far in this series of favourite children's yarns specially made for video and TV, and not a single fairy has blown into view in the six I have sampled.

Instead they are peopled with startlingly stellar casts—Vanessa Redgrave and Vincent Price in *Snow White*, Robin Williams and Teri Garr in *The Frog Prince*, Liza Minnelli in *The Princess and the Pea*, and Joan Collins, James Coburn, Mick Jagger and Christopher Reeve strewn through the others— and are about flesh-and-blood princes, princesses, witches and dragons, such as you or I might meet any day in or around Oxford Street.

VIDEO

NIGEL ANDREWS

Best of the sextet I have seen is *The Frog Prince*, with our own Eric Idle writing, directing and narrating the tale of the volatile amphibian. Modest but imaginative sets—the hallmark of the whole series—frame a tour de force by Robin Williams, who is trick-shot-photographically shrunk to ten inches and gambols around in a neck-to-toe green body-stocking with frog's head. His stand-up-comedy charm, whether doing an after-dinner cabaret act on the King's banquet table or jauntily skewering a giant scorpion on the Princess's bed, fully explains the devotion of Princess Teri Garr, wielding an ever-so-posh English accent.

If you prefer some *sturm und drang*, however, you must turn to *Snow White*. Here Vanessa Redgrave, towering in claret-coloured velvet and with pre-Raphaelite auburn locks, chews up all available scenery as Snow White's Mum. She croons, she purrs, she gurgles, she screams; she nibbles the odd lizard tail and bat's eye while stirring the downstairs cauldron; and she is splendid in duelling duologue with Vincent Price as the Mirror (sic). Less successful is Snow White herself (Elizabeth McGovern) and her scenes with the seven persons of restricted growth. Director Peter Medak doesn't find a *via media* here, as Disney did with paint-and-brush, between circus knockabout and icky sentiment.

Hansel and Gretel is the weakest of the remaining foursome: with Joan Collins alone (as Mother and Wicked Witch) putting a thump into the proceedings as the camera plods through real but dully lit forests, and Rickey Schroeder and Bridgette Andersen make out a strong argument for eating small winsome children.

In *Sleeping Beauty*, who is the handsome Prince with rippling muscles and switch-on, aw-shucks smile? It is, of course, Christopher Superman Reeve, laying seige to Bernadette Peters's coma-stricken Princess even as Beverly D'Angelo's tomboyish Wicked Fairy steals all her — and their — scenes. There is supporting-star sabotage, too, in *Pinocchio*, where kidnapper James James Coburn, wearing a Chico Marx wig and speaking with an ice-cream accent, purloins the play from under the noses of Paul Reubens's wooden puppet hero and Carl Reiner's Geppetto.

Jack and the Beanstalk, by contrast, has good acting in depth, from Dennis Christopher's perky Jack, Elliott Gould's fee-fi-fo-fumming Giant, Katharine Helmond as Jack's scatty mother, and Jean Stapleton memorably raucous as the Giantess. ("Sit down!" she says to Gould, "I'm fixing you some broiled polar bears for supper.") There are sumptuous cloudscapes in the Giant's kingdom, an eye-boggling beanpole, and as in all the Fairy Tale tapes executive producer Shelley Duvall (remember her as Olive Oyl in *Popeye*?) proffers, a get-you-in-the-mood introduction, this time swinging from a cloud-girt beanpole tendrill as she trills her preface.

If only this frolicsome spirit had informed some of CBS/Fox's new *Pope John Paul II*. Starring a hopelessly up-against-it Albert Finney—whose face can set rigid like a block of Stilton in the wrong role—it's even more stupefying than Zanussi's pope opera, *From a Far Country*. Running solemnly and ploddingly through the Vatican supremo's life from schoolhood to Papacy, it's full of those pieces of pre-emptive hindsight that drop in historical films like clangers from characters' mouths ("That boy, do you think we'd ever make a priest of him?" etc)

Gamble on glittering books

By PATRICIA MORISON

Between now and closing time on Christmas Eve, many of us will struggle through a crowded bookshop. We will pester baffled assistants for that novel about Chinese waiters (or was it Japanese wrestlers?) and dive for yet another pony book for small relatives. Books are a pretty safe bet. But if you are in the mood for a gamble, make a foray from the City to Southwark Cathedral. Turn under a Dickensian railway arch and there, in Green Dragon Court, is Bookworks. Started by an enterprising group of bookbinders, this new gallery will repay watching. The Christmas Show (open 1 to 6 pm until January 19) is guaranteed to shake up your ideas.

When did you last see a book like the grey fluffy pad which comes out of a Hoover filter? Or one which is a fan of brilliant coloured paper, pays homage to Oscar Wilde, and is worn as a necklace? Something which takes your fancy is quite likely to be unique and at the least will be original. It will not be over £60 and could be as little as 60p.

These are artists' books and (not quite the same thing) bookworks. To most of us this is an unfamiliar genre. Somewhere back in the genealogy lies the lavish *livre d'artiste*, fruit of the collaboration of poets with artists like Bonnard, sponsored by Ambroise Vollard 80 years ago. In the past 20 years many American artists have used the medium of the book. In part, they were attracted by a species endangered by the age of electronic technology.

The U.S. has a keen buying public for artist's books, with galleries in every major city. The more stolid Briton tends to ask "Is it art or craft?," seeking reassurance in the high price-tag of a limited edition by artists with a reputation in other media. However, the visitor to Bookworks should simply explore one basic question: what is a book?

Pondering this, I decided a book uses the idea of sequence, bound in a portable form. Perhaps not enough for W. H. Smith, and would it satisfy the VAT man, if the sad day ever comes? Yet some exhibits test even my modest definition in a way which can be stimulating and even shocking. Here are books with no binding (Mikel Horl's *An Exhibition of Budgerigars*, no pages, and no text, and some witty diaries and address books are shown by Robert Hadrill: I would tremble to desecrate one of Colin Hall's smart black and grey note-books which, with their tongue-and-groove binding, are a joy to open and an implied reflection on most hard-cover stationery around.

The Eyes of Durga, £800 at the Cylinder Gallery's book show

The shock comes with one of the most bizarre art-works of 1984. It is Colin Hall's Kilner jar which, acording to the label, contains a German sketchbook/diary in sour milk and fermenting rice. It is true the irridescent hues have a certain fascination, but at £60 it is an expensive joke, even to outrage your least favourite librarian.

For reassurance, I turned to Ian Tyson's attractive books from his well-known Tetrad Press. Japanese influence is strong in both the woodcuts and the superb paper. Tom Philips, another respected worker in this medium, formerly achieved notoriety with a *Dante's Inferno* which cost £10,000 per copy. The modest collector can be pleased with some spin-off devils, shown here with other works of his.

I was most attracted by two very different books. Trevor Jones uses the concertina form skillfully in his sequence of a nude photographed by Edward Muybridge. Cleverly constructed from acetate leaves, this must stand up to make its point, whereas my favourite conforms more to the bibliophile's traditionally intimate pleasure. Putting on white gloves, you are encouraged to lift Jenni Gray's *Blockness* from its box. Texts from Kandinski slither on acetate, combining with the layers of geometrically scored tracing-papr in a most elegant work.

Andrew Logan's Book Show (at the Cylinder Gallery, Great Russell Street until December 24) is a glittering spectacular which, in the end, is much more traditional than the Bookworks exhibition. Logan has applied his celebrated jewellery techniques to the book. It becomes a carapace of broken mirrors, car reflector lights and smashed Christmas-tree decorations (at last a use for the casualties of over-excited puppies!). These are combined with all manner of natural "found objects;" sand, pebbles, pearls, ammonites, whelk-shells and walnuts. There is more than a hint of kitsch most evident in the bejewelled cassette-player. A few books are on a monstrous scale, like The Sun, an oval of embossed gold which glitters like the shiled of some archaic and rather camp warrior.

These books belong in a canvas by Gustave Moreau. They would lie on Herodias' coffee-table as Salome dances, Logan book ear-rings trembling, to the sound of the Logan cassette. Indeed, she could well use one of the larger ones to decapitate John the Baptist. However, this show really stand as an advertisement for a technique. These particular examples are carapaces without a living centre. Great ingenuity has been lovingly applied to classic but dull professional bookbindings. They share the same, unattractively strident, marbled end-papers, some rather lumpy spines, and contain only white paper. Certainly you can use these, as photograph albums, visitors' books or what you will.

It was suggested to me that some of the little confections of pink and white with hanging pearls would be used by some for bridesmaid's bouquets. I wonder if that is what the artist means when he states that he will give the book back its former glories . . . . How much more worthily might not he embellish some Gulf sheikh's Koran or the Gospel for a fundamentalist millionaire from Dallas! In short, the impression given by these two shows is that the book is not in the least the Ugly Duckling of the art world, but is a lot more interesting than most of us realise.

A critical decline

New Premises, heard on Radio 3 on Sunday afternoon, is a lightweight critical programme that suggests a good school magazine. Last Sunday it began with some comic verse by Wendy Cope, about the rival claims to fame of engineers and poets. Eric Griffiths talked about "sloppy critics on serious newspapers" but took most of his examples from Clive James, who isn't even a member of the Critics' Circle. Some New York theatre critics discussed their influence on the Broadway theatre; Jonathan Meads compared Tissot with Colin McInnes and Michael Arlen; Stephen Games, presenter of the programme, was politely seen off at almost every point by the new PRA. It was all good, stylish fun.

Its producer, Thomas Sutcliffe (to distinguish him from Tom Sutcliffe of The Guardian), is to transfer next year to *Kaleidoscope*. Hooray, we may say, we shall have this Attic geniality five times a week instead of once. But wait. Mr Sutcliffe, interviewed by Broadcast magazine, tells us that there will be less pure reviewing, there will be no attempt to be comprehensive.

Now except for *Critics' Forum*, that increasingly tedious programme on Radio 3, there is virtually no other criticism on the BBC national networks. I've been suggesting on and off for years that there should be as much arts coverage on *Today* in the mornings as would correspond with the space given in the quality newspapers. I am always fobbed off with *Kaleidoscope*. Now we're not going to have criticism there. Where shall we have it? Shall we have it anywhere?

Easy to overlook, there has been an adaptation of Dickens's *Hard Times* going on all the week. It's easy to overlook because in the Radio Times it is listed under the heading *For Schools* and the sub-head *Books, Plays, Poems*. The adaptation by Elizabeth Proud and the production by Stuart Evans have been turning each half-hour bit, at 2.30 each day, into a vivid little scenario in which the characters stand out like figures in stained glass. And no wonder, for the casting is generous. Gradgrind, ultra-pragmatic tycoon and school-proprietor of Coketown, is played by Denys Hawthorne, with Sandra Clark as his ill-fated daughter Louisa. His friend, the self-made—self-marred—success Bounderby, is Brian Rix.

In its straightforward way, you couldn't ask for clearer, more accessible work than this. Whether such a horrid book is good stuff to offer the young is another matter. For all its intrinsic Dickensian merits, I find *Hard Times* positively sadistic, and as so much of the harshness comes at the start, I'd sympathise with listeners who were put off. On the other hand, the more interest I take in what young people read, the more I find that a favourite theme is the misfortunes of children, so this should go down well.

Elizabeth Proud surfaced again on Wednesday, as Alice in Frederick Bradnum's *Alice's Tea Party*. This was another item of Radio 3's light entertainment, well down to standard. Alice, in this version, was reading sociology at Cambridge, and the others at the party were an old ex-Nazi aunt and uncle and an old Stalinist uncle. They talk a lot of nonsense, but of a lower-than-Carroll class.

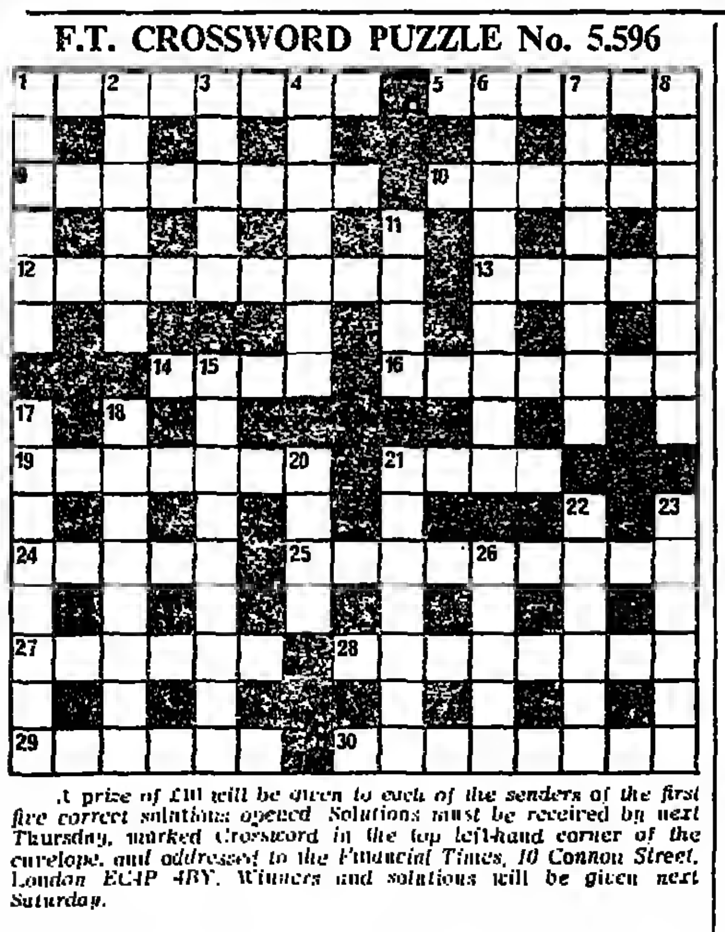
RADIO

B. A. YOUNG

Titus Groan, Radio 4's Monday play, adapted from Mervyn Peake by Brian Sibley, must have been consciously directed at Gormenghast addicts. Unless you had some notion of what was going on in that grotesque household, you wouldn't have had a very clear idea of what you heard, entertained though you might have been. Not that it wasn't very well done, with a whole constellation of stars under Glyn Dearman's direction.

I won't even try to tell those unfamiliar with the Peake idiom what happens in *Titus Groan*, the adventures of Sepulchrave (David Warner), Sourdust (Robert Eddison), Dr Prunesquallor (Bernard Hepton) and the other bizarrely-named characters played with apt bizarrerie by Sheila Hancock, Eleanor Bron, Maurice Denham, Stratford Johns and the rest of them. Myself, I was properly bewitched (and went out next morning to see if I could get a paperback copy of the whole trilogy, but I couldn't). Addicts and non-addicts alike should certainly make another visit to this strange world in the sequel, *Gormenghast*, which comes up next Monday.

F.T. CROSSWORD PUZZLE No. 5,596



A prize of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name ....

Address ....

....

PRINTER'S DEVILRY

Across clues each consist of a sentence (whose meaning is irrelevant) from which the solution has been omitted, the gap closed up, and punctuation and spelling often changed. Thus "Armed! Wire Llnuelli: 'e set out to get a lift" leads to THUMB, the full sentence being "Armed with umbrella nellie set out to to get a lift." "to get a lift" being the clue to THUMB.

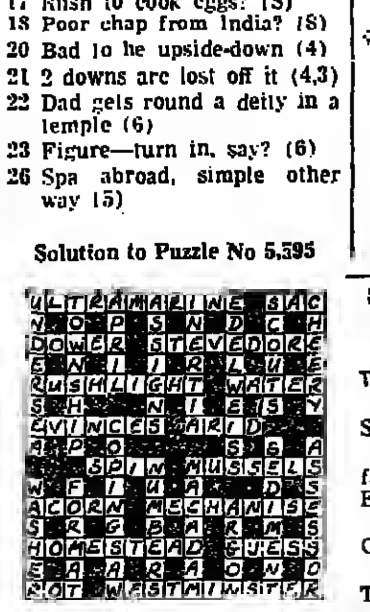
ACROSS

1 Mistress gets jealous when missed by film star (8)
5 He lives hale and half abroad, I understand (6)
9 Memorial to the Ram, who kept—aha!—by (8)
10 I do removals, I — off vice (6)
12 Kidnapped author wasn't forced to attend Mattins jug (9)
13 Moses used by liners may also be used by fish (5)
14 Russian mineralogists plant ode in the Urals (4)
16 While your lice in Wonderland, I shall indulge in an 18th century novel (7)
19 A mania fined generosity as a government grant (7)
21 Wordless symbol of the City gent, a Rollerella (4)
24 There is, if I may say, soonest point: British is better than foreign (5)
25 I looked from right off, I, clockwise to left of first slip, with no sign of Grace! (9)
27 Cook has been to many plays from Alf Simpson (6)
28 Choppers are here for any slip, whether nearer the cup (8)
29 Whit Jerry, it was Tom we had to bury (6)
30 Sloth is one of his main traits—he has skill without precluding work (8)

DOWN

1 A hybrid? Not so! (6)
2 Pet's mood? (6)
3 Extent of cowboy's home (5)
4 Poet of pre-Ness variety (7)
6 Arrest aim for blow (9)
7 Significant present for news? (8)
8, 11 Two or three times? (4,4,4)
15 Unripe space in theatre (5,4)
17 Rush to cook eggs? (8)
18 Poor chap from India? (8)
20 Bad to be upside-down (4)
21 2 downs are lost off it (4,3)
22 Dad gets round a deity in a temple (6)
23 Figure—turn in, say? (6)
26 Spa abroad, simple other way (5)

Solution to Puzzle No 5,595



SOLUTION AND WINNERS OF PUZZLE NO 5,590

Mrs Alison Fox, 7 Barlby Way, Leeds.

Mr N. G. Hanson, 4 West Street, Abbotsbury, Dorset.

Mr I. F. Crookes, 250 Westferry Road, Millwall, London E14.

Mr J. B. Hervey, 3 Bramley Gardens, Gosport, Hants.

Mr D. G. Harrison, 7 Rosehall Terrace, Falkirk, Stirlingshire.

BBC 1

† Indicates programme in black and white

8.30 am The Perishers. 8.30 The Littlest Hobo. 9.00 Saturday Superstore. 12.12 pm Weather.

12.15 Grandstand: 1.00 News Summary; Football Focus with Bob Wilson; Racing from Ascot at 12.50, 1.20 and 1.55; Boxing, Harry Carpenter with highlights of last night's bouts at Wembley Conference Centre, London; Skiing, David Vine covers the action at Val Gardena; Rugby Union: The Australian tourists meet the Barbarians in their final match—live coverage from Cardiff; Show Jumping: The Olympia International Championship from The Grand Hall, Olympia; Athletics: The Rank Xerox/IAC Cross Country International; Final Score at 4.40.
5.05 News.
5.15 Regional programmes.
5.20 Superdance 84.
5.55 The Noel Edmonds Late Late Breakfast Show.
6.45 "Carry On . . . Don't Lose Your Head." Kenneth Williams, Jim Dale, Charles Hawtry, Peter Butterworth, and Joan Sims.
8.15 Dynasty.
9.05 Wogan.
9.55 News and Sport.
10.10 Match of the Day: Football plus Show Jumping from the Grand Hall, Olympia, featuring the Radio Rentals Puissance.
11.50 Burt Lancaster in "Ulzana's Raid."

REGIONAL VARIATIONS:

Wales — 5.15-5.20 pm Sports News Wales.

Scotland—5.15-5.20 pm Scoreboard. 10.10-11.50 Sportscene.

Northern Ireland—4.55-5.05 pm Northern Ireland Results (opt-out from "Grandstand") 5.15-5.20 Northern Ireland News. 1.30-1.35 am Northern Ireland News Headlines.

England—5.15-5.20 pm London—Sport: South West (Plymouth)—Spotlight Sport and News: All other English regions—Sport/Regional News.

BBC 2

10.10 am-1.05 pm Open University.
††3.25 Saturday Cinema Double Bill: "Sun Valley Serenade," starring Glenn Miller and Sonja Henie, and at 4.45 "The Forkin Project."
6.25 The Sky At Night.
6.45 A Vous La France!
7.10 News and Sport.
7.25 Rugby Special. The Barbarians v The Australians from The National Stadium, Cardiff; plus the rest of the day's rugby news.
8.15 The Saturday Alternative: "L'Incoronazione Di Poppea" — Glyndebourne presents Peter Hall's production of Claudio Monteverdi's opera in two acts, including 9.50 Interval.
10.55-12.55 am The Italian Film: "Leap Into The Void" (Italian film with English subtitles).

LONDON

6.00 TV-am Breakfast Programme. 9.25 Cartoon Time. 9.30 Fraggle Rock. 10.00 The Saturday Starship. 11.20 Space 1999.
12.15 pm World of Sport: 12.20 World Cup Ski-ing from Italy; 12.45 News; 12.50 On The Ball; 1.40 Racing from Doncaster; 1.55 Wrestling; 2.10 Racing from Doncaster; 2.25 Snooker — The Hofmeister World Doubles Championship; 2.45 Racing from Doncaster; 3.00 Snooker; 3.45 Half-time Soccer Round-up; 4.00 Snooker; 4.45 Results.
5.00 News and Sport.
5.05 Candid Camera.
5.35 Blockbusters.
6.05 The A-Team.
7.00 Tarby And Friends.
7.45 Punchlines.
8.15 3-2-1.
9.15 News and Sport.
9.30 Snooker—The Hofmeister World Doubles Championship.
12.15 am London News Headlines followed by Bellamy.
1.00 Night Thoughts with Dr Sheila Cassidy.

CHANNEL 4

1.00 pm Making The Most Of . . .
1.25 Chips' Comic.
†1.55 "Transatlantic Merry Go Round," starring Jack Benny, with Gene Raymond, Nancy Carroll and Sydney Howard.
†3.40 "The Horn Blows At Midnight," starring Jack Benny, with Alexis Smith.
5.05 Brookside.
†6.00 Danger Man.
6.30 Rock-N-America.
7.00 News Summary followed by Seven Days.
7.30 "The Bespoke Overcoat." (Oscar - winning British short film starring David Kossoff and Alfie Bass.)
8.00 The Sonnets of William Shakespeare.
8.15 Muck And Brass.
9.15 20/20 Vision: Child Sex Abuse.
10.00 Hill Street Blues.
11.00 Pushing Up Daisies.
†11.35 "Homicidal," starring Glenn Corbett and Patricia Breslin.

S4C WALES

1.15 pm What the Papers Say. 1.30 A Week in Politics. 2.10 Rygbi: Y barbariaid v Awstralia. 3.50 La Cloche. The Wine Programme. 4.40 Feature Film: "Christmas Holiday" starring Deanna Durbin and Gene Kelly. 6.20 The Avengers. 7.20 Superted. 7.30 Newyddion. 7.45 Sion a sion. 8.15 Cyngerdd y dathlu. 9.15 Y maes chwarae. 10.05 Feature Film: "Willie and Phil" 12.10 am Indie: The Alternative.

REGIONS

IBA Regions as London except at the following times:

ANGLIA
11.20 am Tarzan. 12.15 am At the End of the Day.

BORDER
9.30 am The Jacksons. 11.20 Chips.

CENTRAL
9.25 am I Gopher You. 9.30 Fangface. 11.20 The Six Million Dollar Man.

CHANNEL
9.25 am Cartoontime. 9.35 The Jacksons. 9.57 Puffin's Pla(i)ce. 11.20 Tarzan. 12.14 pm Channel Islands Weather Summary. 5.05 Puffin's Pla(i)ce. 5.10 The Smurfs. 5.35 Candid Camera.

GRAMPIAN
9.25 am Cartoon. 9.30 The Jacksons. 11.20 Chips. 12.15 am Reflections.

GRANADA
9.30 am The Jacksons. 11.20 Chips. 12.15 am Hammer House of Mystery and Suspense.

HTV
9.25 am The Wonderful Stories of Professor Kitzel. 9.30 The Jacksons. 11.20 Father Murphy. 12.13 pm HTV News.

SCOTTISH
9.25 am Wattoo Wattoo. 9.30 Fraggle Rock. 11.20 The Crazy World of Sport. 11.45 Happy Days. 12.15 am Late Call: Rev John Bell of the Iona Community.

TSW
9.25 am Cartoon Time. 9.57 Gus Honeybun's Magic Birthdays. 11.20 Freeze Frame. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 The Smurfs. 5.35 Candid Camera. 12.15 am Postscript. A short talk to end the day given by Rev Donald Peyton-Jones.

TVS
9.25 am Road to Andalay. 11.20 The Groovie Ghoulies. 11.45 Jabberjaws. 12.12 pm TVS Weather. 12.15 am Company.

TYNE TEES
9.25 am Morning Glory. 9.55 Young Lookaround. 11.20 The Jacksons. 11.50 Batman. 12.13 pm North East News. 5.05 North East News. 5.10 Candid Camera. 12.15 am Jazz Life—Mike Mainein. 12.45 Poet's Corner—Tom Coyne reads "The Ballad of the Bread Man" by Charles Causley.

ULSTER
9.25 am Cartoon Time. 11.20 Harlem Globetrotters. 11.50 Wild, Wild World of Animals. 12.43 pm Lunchtime News. 4.55 Ulster Sports Results. 5.03 Ulster News. 5.27 Ulster News. 12.10 am News at Bedtime.

YORKSHIRE
9.25 am Regional Weather Forecast followed by Cartoon Time. 9.30 The Jacksons. 11.20 Tarzan. 12.15 am Teachers Only.

(S)=also VHF Stereo

BBC RADIO 1

8.00 am Peter Powell. 10.00 Dave Lee Travis. 1.00 pm Lenny Henry (S). 2.00 Paul Gambaccini with America's hits (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Ian Bross. 9.30-12.00 Ornie Peach.

BBC RADIO 2

C,12C ashr arf ashm eshmr falrl faarfd

6.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm Radio Active. 1.30 Sport On 2—Cricket: Reports from New Delhi on the 2nd Test between India and England; Football Prospects; Racing from Doncaster at 1.45 and 2.15; Rugby Union: Commentary on the Barbarians v The Wallabies at Cardiff; Horse Show: Keith Chegwin joins the fun at Olympia; Football: Commentary on one of today's Canon League matches; Sports Report including 5.30 Cricket: Thoughts for India; 5.40 Showjumping and Racing; 5.50 Racing Results, and 5.55 Pools news and football results. 6.00 Folk On 2. 7.00 Jazz Score at Ronnie Scott's. A special recording to celebrate 25 years of Ronnie Scott's Club in Frith Street, London. 7.30 A Victorian Evening. Recorded at the Queen Elizabeth Hall, London (8.10-8.30 Interval). 8.30 Big Band Special (S). 10.02 Sports Desk. 10.05 Ken Bruce with music for late-night listening (S). 12.05 am Night Owls with Dave Gelly (S). 1.00 Peter Dickson presents Nightride (S). 3.00-4.00 Pop Over Europe (S).

BBC RADIO 3

7.00 am News. 7.05 Aubade (S). 8.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.45 Pfitzner and Mozart Symphonies. Pfitzner's Symphony in C-sharp minor. (12.20 pm Interval Reading). 12.25 Part 2: Mozart, Symphony No 40. 1.00 News. 1.05 Mozart and Shostakovich, violin sonatas. 2.00 Verdi's Operas: "Rigoletto," Giulini conducts Act 1 (S). 3.00 Julian Budden on "Rigoletto." 3.05 Acts 2 and 3. 4.15 French Piano Music (S). 5.00 Jazz Record Requests with Peter Clayton (S). 5.45 Critics Forum. 6.35 Franz Schmidt. Hans Petermandl is the soloist in the Piano Concerto in E-flat. 7.20 Dante in Rotterdam. Graham Fawcett reports on the Dante Translation Project at this year's Rotterdam International Poetry Festival. 8.10 L'Incoronazione di Poppea. Monteverdi's opera in Raymond Leppard's edition. The 1984 Glyndebourne Festival production. (Simultaneous broadcast with BBC2). (S). 11.00 Haydn. Symphonies Nos 18 and 38 and a string quartet (S). 11.57-12.00 News.

Medium Wave as VHF except: 7.05-11.15 am Cricket: Second Test. India v England in Delhi—commentary on the afternoon session of the third day's play.

BBC RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth. 7.55 Weather; Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Checkpoint. 9.30 Profile. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Pick of the Week (S). 11.30 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm The News Quiz. 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News: The Afternoon Play (S). 3.00 News: The Burkiss Way (S). 3.30 Of Ice and Men. 4.15 The Chip Shop (S). 4.45 Keep Your Tails Up. 5.00 Wildlife. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News: Sports Round-up. 6.25 Desert Island Discs (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 You the Jury: The motion—The Church of England should be disestablished. 11.00 Evening Service (S). 11.15 Great Lines. 11.30 Son of Cliché (S). 12.00-12.15 am News.

BBC RADIO LONDON

8.04 am London Weekend. 8.30 The Magic Carpet Company. 9.03 Inside London. 9.30 Corridors of Power. 10.02 All that Jazz. 11.30 Jeff Young's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Big City. 7.30 Hold the Front Page. 8.00 Eastern Ear. 8.30 Good Fishing. 6.00 As Radio 1. 12.00-4.00 am As

CAPITAL RADIO

7.00 am Dave Cash's Breakfast Show. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 The Kenny Everett Show. 1.00 pm Nicky Horne. 5.00 Greg Edwards—Soul Spectrum. 8.00 David Rodigan's Roots Rockers. 11.00 Mike Allen. 1.00 am Fusions with Steve Collins.

CHESS SOLUTIONS

Solution to Position No 546

Black should lose if White finds 1 . . . N-B6; 2 Q-K8 ch! RxQ; 3 RxR ch, K-Q2; 4 B-N5 ch, Q-B3; 5 RxB ch and wins. The game actually went 2 R-Q4? (2 PxN, RxB! wins), RxB; 3 PxR, QxNP; 4 Q-B4, Q-R6 ch; 5 resigns due to 5 PxQ, R-N8 mate.

Solution to Problem No 546

1 B-B, K-B5; 2 B-R6, K-Q4; 3 N-B7 mate. If 1 . . . P-B5; 2 B-Q7, K-B4; 3 R-K5 mate.

LEISURE

Antony Thorncroft on how a £297,000 Tang horse may stir a neglected interest

Rich reserves on the chinoiserie shelves

REGULAR VISITORS to that corner of the Victoria and Albert Museum given over to Chinese works of art will have noticed that in recent weeks one of the most striking objects, a magnificent Tang horse, over 2 ft high—and well over 2,000 years old—has been missing. Also gone is the figure of a groom that watched over it.

The horse is probably by now in the Mount Street shop of A. and J. Speelman, a leading dealer in Chinese works of art, who paid £297,000 for it at Sotheby's on Wednesday. The groom went to Croes, another dealer, for £30,000. Both objects had been on loan to the V and A. Eventually the owner decided that she needed some money and sold them at auction.

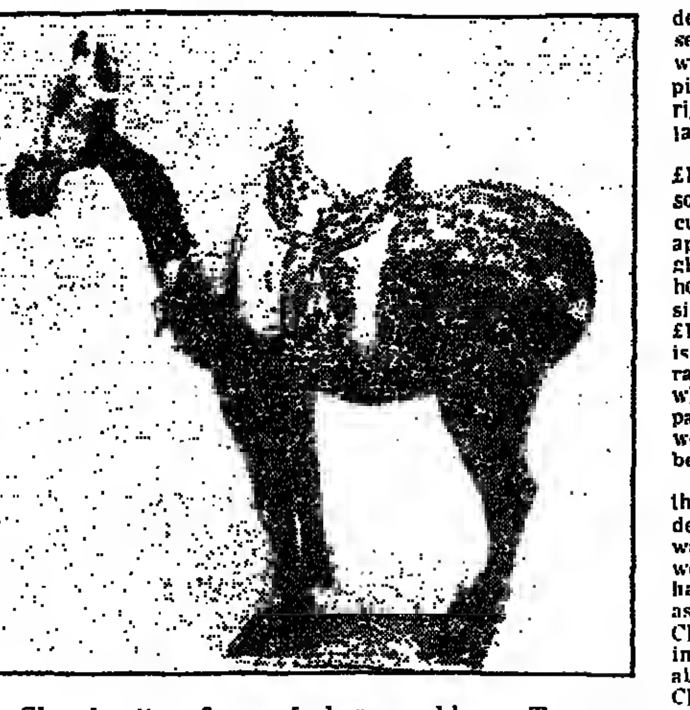
The disapearance of works on loan to museums and art galleries is a fact of life which must be accepted. The V and A would have liked to have bought the horse but the price was beyond its resources. However, the incident may alert many other British museums to the potential value of the objects in their Chinese galleries.

This is an area in which British institutions are particularly rich. Our commercial adventurers brought back many art treasures from the Far East; in the early decades of this century British connoisseurs built up fine collections, many of which were bequeathed to museums. Unfortunately museum curators are rarely interesed in chinoiserie and often the bequests are poorly displayed. Judicious disposal of second-division items might ease the financial problems of many a museum.

That, at least, has been the experience of Croydon Council which this weekend is £250,000 richer, thanks to the Sotheby's sale. In the mid-1960s it was left the Riesco collection of Chines works of art: it has now sold the secondary pieces and will use the money raised to stimulate interest in the more important works, which are on display in the Fairfield Hall.

As in many areas of antiques the UK's treaures are now mainly safe in museums. Although London still successfully competes with New York and Hong Kong as a market-place for Chinese works of art most of the buyers—and sellers—are from overesas. After the war the Americans took over from the British as the great buyers and now, as mortality takes its toll, their collections are being steadily dispersed in New York. Judging by the heavy buying by the Japanese in the past decade, the best new collections are being assembled there. But Chinese works of art remain a relatively buoyant market because of the spread of international buying.

Buoyant but with problems: obviously an area of antiques which covers 3,000 years of a civilisation's ups and downs cannot be treated as a whole. The political question mark over Hong Kong last year undermined the demand for Imperial wares of the 18th century (the favourite purchases of Hong Kong collectors); a seemingly remorseless supply of Tang and Han grave goods of mediocre quality and doubtful provenance, probably exported by the Chinese Government, has deterred modest collectors. As in most markets only items of the highest quality or rarity can command exceptional prices—and quality now seems more important than rarity.



Glazed pottery figure of a harnessed horse, Tang Dynasty

There is also a split between oriental, and European and American collectors. The former tend to go for the decorative pieces, such as blue and white Ming; the latter, traditionally, have been interested in more archaic works of art, antique bronzes and the like and export porcelain, produced in China in the 18th century for the European market. The Japanes lean towards early works.

Recent auctions have reassured the market, in particular the Schloss sale in New York this month which lifted Tang pottery to new heghts. A horse, not dissimilar to the one illustrated, went to the London dealer Eskenazi for £546,584. Prices were way above estimate, and all but one of the 50 lots sold. The sale in Hong Kong of the late Dr Ip Yee in November also did well, making £2.2m and with a rare blue and white palace bowl, just the kind of thing Hong Kong collectors love, going to one for £150,619.

A noticeable feature of the Schloss sale was that some of the buyers for the top lots had never bought Chinese before: they were basically acquiring an attractive piece to beautify their homes. They were interior decorators rather than connoisseurs. The sales in London this week did not have many masterpieces but the Tang horse sold right on target, and would certainly enhance a drawing room.

Sotheby's auction totalled £1.3m, with over 16 per cent unsold, a good reflection of the current market. There were disappointments: a rare Tang glazed figures of a lady was bought in at £38,000 whereas a similar figure had sold for £108,000 in June. The market is putting condition above rarity and a Ming blue and white ewer of a very unusual pattern was unsold at £45,000, well below its £100,000 forecast, because it was damaged.

Over the next few years, there may be hesitations in the demand for 18th century palace wares as Hong Kong collectors worry about the future—and perhaps sell pieces to realise their assets; the attitude of the Chinese Government to exporting antiques is also unpredictable. Generally, however, Chinese works of art have such international appeal that prices should continue to rise. Colin Sheaf of Christie's believes this is an excellent time for the modest collector to enter the market.

His counterpart at Sotheby's, Colin Mackay, agrees, pointing out that Chinese porcelain of the 19th century has become popular in the last decade but is still available for £1,000 or less. Potential buyers might take some encouragement from Mr Riesco: a blue and white jar he bought at Sotheby's in 1946 for £40 sold this week for £14,000. A blue and white stem-cup he bought on the same day rose in value from £42 to £4,200. It clearly helps to keep the pieces in your collection for some years.

Cards of Christmas past

COLLECTING
JUNE FIELD

"MY BEST Christmas present, I think, was a hippopotamus head, in a cask of wine, with all the meat on it, which my brother Owen sent me from the Niger," humorous artist John Hassall wrote in *Pearson's Weekly* in 1905. He added that it was now a coal scuttle.

This sort of understated humour is reflected in much of the work of the Edwardian illustrators and Christmas through the illustrator's eyes is prominent in exhibitions and auctions.

The growth of collector-interest in the works of British illustrators and cartoonists has been a major feature of the art market this year, with prices still generally affordable in the £100 to £500 range.

For something like the rare and sought-after original Arthur Rackham pen and ink sketch for the title page of J. M. Barrie's *Peter Pan in Kensington Gardens*, published by Hodder and Stoughton, 1906, the Chris Beetles gallery is asking £8,500.

John Hassall, with his bouncy, racy style (he is best known for the now historic 1908 railway poster *Skegness Is So Bracing*), often needed no words to get his point across. In *Lying In Wait* the intentions of the roguish-looking schoolboy leaning over the fence with a giant snowball as a large pompous woman hoves into sight, are obvious.

The original pen and ink with grey wash drawing is £850 in Chris Beetles Illustrators Exhibition, 5 Ryder Street, London, SW1. It runs until December 22, and will be open 10 am - 5 pm each day including weekends.

Among Hassall's pupils at the New Art School that he started with Charles van Havermat in Earl's Court Road (later the Hassall School of Art), was H. M. Bateman (1887-1970), probably England's best known humorous illustrator. Among rare Bateman offerings in the Illustrators Exhibition are 1908 and early 1920 Christmas cards signed with his nickname "Binks."

The amusingly delineated central figure in the 1920s cards (variously costumed as Father Christmas, a Spanish troubador and a kilted Scot playing the bagpipes), are obviously based on the chubby-faced, bespectacled writer William Caine. (His short stories appeared in many magazines, some of which were illustrated by Bateman, who also designed some of the jackets for Caine's novels.)

As Anthony Anderson, Bateman's grandson by marriage, recorded in *The Man Who Was H. M. Bateman* (Webb and Bower, 1982, £9.95): "In the many guises he appears, Caine is slightly eccentric, often rather a misfit, but always a delightful character. . . ."

Since the publication of the book, and the retrospective exhibition at Robert Stuart's Langton Gallery, Langton Street, London, SW10, Bateman's work has been greatly in demand; and there are about 20 of his mischievous caricatures in Langton's annual Exhibition of Great British Cartoons 1800-1934, running until December 21, 10—6, Monday to Saturday.

There is also a good crop of the work of Heath Robinson. Interest in this high priest of household gadgetry has increased since Geoffrey Beare's *The Illustrations of W. Heath Robinson* (Werner Shaw, £12.95).

The exhibition of Donald McGill's seaside postcard originals has just finished at Langtons. But they still have some in stock at about £185 each.

A 1923 Christmas card by H. M. Bateman

McGill (1875-1962), did not specialise only in saucy postcards. Some original signed water-colours in Christie's South Kensington sale on Monday at 5 pm include early examples featuring a traditional Father Christmas with a cherubic mite asking "Carry Your Bag Sir" and another showing him putting up the stockings on Christmas Eve, and opening one in the morning.

Estimates are £150 to £250 each, but Christie's specialist in the works of 19th and 20th century illustrators, Jonathan Horwich, thinks they could go higher.

An amusing new book, *The World of Donald McGill* by Elfreda Buckland (Blandford Press £8.95), is also helpful for general research and identification.

"A McGill original is easily recognisable by its style and by the caption written on the reverse side of each painting, together with the instructions for the blockmakers and the printers," Mrs Buckland says. She and her husband, Basil, acquired the copyright on McGill in 1972.

Some lesser known names to look for are Lewis Baumer (1870-1963), who concentrated on drawing for *Punch* from the 1920s and was one of the most witty social commentators, and Honor Appleton, active 1900-40, who illustrated Mrs H. C. Cradock's *Josephine* books. There is a charming water-colour of her Cinederella, and a festive coachman of Baumer's (1919), both £350 each in Chris Beetles show.

Why the gold went to Moscow

CHESS
LEONARD BARDEN

ANALYSIS OF the chess olympic results shows that a single match ultimately did much to send the gold medals to Moscow. Before the Salonica world team championship began, many commentators thought the Soviet team without Karpov and Kasparov would have difficulty fending off the expected strong challenge from the U.S., Hungary and England.

In the event, these four teams finished well clear of the rest, justifying the seedings based on FIDE ratings. Matches among them had their full share of incident. The Russians lost to the Americans for the first time ever, with the decisive point scored by the ex-Russian, Dzindzihashvili, who beat the Soviet top board Belyavsky in a marathon of 96 moves. England won against the U.S. after remarkable sacrificial play where Nunn gave up a queen and Mestel a rook; but England lost to the USSR from a winning position when Miles and Short went astray in the final session.

But it was the third round match USSR v Hungary which had a decisive effect, giving the Russians their best-ever start in olympic play and discouraging the English and Americans.

The Hungarians fielded a world class quartet of grandmasters Portisch, Ribli, Adorjan and Sax, and on known form expected to lose by 1½-2½ at worst. Instead, Hungary suffered their first-ever ½-4 defeat in olympic play. The victory gave the Soviets a massive lead which they never relinquished, while the losers finished out of the medals.

In team play over four boards an early positive result has an effect on other games, putting the losing player's colleagues under extra pressure. So it happened in USSR v Hungary. When the solid Adorjan, who draws often but rarely loses, was blitzed to defeat with most of the pieces still on the board, the other Hungarians all weakened; this was perhaps the golden game of the olympics.

White: R. Vaganian (USSR). Black: A. Adorjan (Hungary). Catalan (Salonica 1984).

1 P-Q4, N-KB3 2 P-QB4, P-K3 3 P-KN3, B-N5 ch; 4 B-Q2, BxB ch 5 QxB, P-B4.

The normal, probably sounder, plan is P-Q3, QN-Q2, Q-K2 and P-K4.

6 B-N2, O-O; 7 PxP, Q-B2?

After this artificial move, which provokes White's strong reply, Black is already in difficulty with his queen stranded out of play. Better is 7 . . . N-R3, planning to recapture with the knight, when 8 P-QN4? is well countered by N-KN5! 9 Q-Q4, NxNP 10 QxN, Q-B3.

8 Q-Q6, Q-R4 ch; 9 N-B3, N-R3; 10 N-R3, Q-N5; 11 Q-Q2, NxP; 12 R-QB1, R-N1.

The capture 12 . . . QxBP? loses at once to N-Q5.

13 O-O, P-QN3; 14 P-K4!

As a result of Black's artificial development, White can pressurise the weak backward queen's pawn.

14 ..B-N2; 15 P-K5, N-N5; 16 Q-K2, BxB; 17 KxB, N-KR3; 18 KR-Q1, N-B4; 19 N-KN5, P-KR3?

This and the next move fall into a hidden trap; Black's final chance for active play is N-QR5.

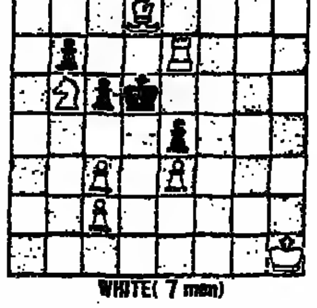
20 N-B3, KR-Q1?

At first glance, still an innocent position with much play to come; but now White wins queen or knight by a forced sequence.

21 P-QR3, Q-N6; 22 P-N4, N-K2; 23 N-Q4, N-N3; 24 K-N3 Resigns. White's last easily stopped the trap 24 NxQ? N-B5 ch.

POSITION No 546

BLACK (4 men)



WHITE (7 men)

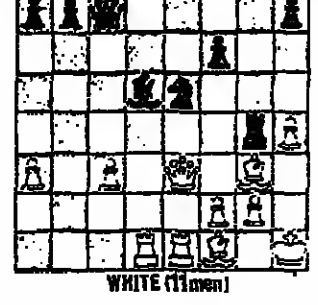
Thipsay v Reirevic, Asia v Yugoslavia 1984. Black (to move) had sacrificed a pawn for attack, and now offered queen and knight by the spectacular 1 . . . N-B6.

Does Black win, lose or draw, and how should the game go?

In actual play, neither Black, a grandmaster, nor White, an IM, solved the puzzle.

PROBLEM No 546

BLACK (10 men)



WHITE (11 men)

White mates in three moves, against any defence (by K. F. Fegen).

Solutions, Page 16

BRIDGE
E. P. C. COTTER

IN CASE you do not already know them, I am going to discuss two bidding conventions, which I play with my regular partners. They are, in my opinion, very useful. Let us look first at the Baron Two No Trumps:

	N ♠ K Q 4 ♥ A 10 2 ♦ J 3 ♣ A J 9 7 3	
W ♠ 9 8 2 ♥ J 8 6 5 ♦ K 7 5 ♣ 8 6 2		E ♠ A 5 3 ♥ 9 7 4 3 ♦ 10 9 8 2 ♣ 5 4
	S ♠ J 10 7 6 ♥ K Q ♦ A Q 6 4 ♣ K Q 10	

First, I will tell you what happened in actual play, where North and South were not using the convention. North dealt and opened the bidding with one club. South on his 17 points made a forcing take-out of two diamonds, and the opener rebid two no trumps. South now said three clubs, North made a cue-bid of three hearts. South showed his second round control by bidding four hearts. North jumped to six no trumps, and all passed.

East led the ten of diamonds, the declarer was forced to run to his Knave, but West had the King, and with no way of making 12 tricks without playing on spades, the declarer was defeated.

Now let us assume that we are playing the Baron Two No Trumps. This bid cannot be passed, and it shows the qualifications for a forcing take-out with a balanced hand. I open with one club, you reply with two no trumps, and I rebid three no trumps. Over your four clubs I cue-bid the heart Ace, you say five diamonds, I show my spade control with five spades and you bid six no trumps. The contract, played by the right hand, is on ice.

This is an added bonus — the real advantage of the forcing two no trumps is that it saves from making a forcing take-out on a four-card suit with a balanced hand.

We shall now examine the other convention, Fourth Suit Forcing:

	N ♠ A K Q J ♥ 9 2 ♦ 8 4 3 ♣ J 8 7 2	
W ♠ 9 7 4 ♥ K J 4 ♦ Q J 10 7 2 ♣ A 6		E ♠ 10 8 6 3 2 ♥ 8 6 3 ♦ 9 5 ♣ K 5 3
	S ♠ 5 ♥ A Q 10 7 5 ♦ A K 6 ♣ Q 10 9 4	

In this hand, again from rubber bridge, South dealt with neither side vulnerable, and bid one heart, to which North replied with one spade, and South rebid two clubs. At this stage, if he and his partner are not using this convention, North cannot say anything other than three clubs, and this may not inspire South sufficiently to bid the game.

But when you and I are playing together, I say two diamonds—Fourth Suit Forcing. This bid promises nothing in diamonds, but it announces that I hold some 10 to 12 points, and am asking you to describe your hand further. On this occasion, with a double guard in diamonds and a good opening bid, you jump to three no trumps.

West leads the diamond Queen, which must be allowed to win. You have two stoppers, it is true, but you have to lose the lead twice in setting up your clubs, so the hold-up is essential. You win the second diamond, and lead a club. East wins, but he has no diamond to return, so he leads back a heart. You play your Ace, and lead another club. West wins, and can cash his heart King, but then the polls are closed.

Of course, if West holds both club honours, the contract fails.

The Not-So-Big Apple: A mid-17th century view of New York

Underneath the sidewalks

ARCHAEOLOGY
GERALD CADOGAN

NEW YORK is dug by archeologists as well as contractors. Finding remains dating from before the period when the Dutch bought Manhattan called it New Amsterdam is one of the aims.

Up to now the search for Indian remains has yielded little. But the diggers have uncovered some fascinating relics of the late 19th century dating from the great move to Manhattan at the end of the Civil War and into the 1880s.

This year has seen the first dig north of Greenwich Village. Almost all this work has been done under private contract, and to a deadline, before redevelopment which destroys for ever the fragile evidence of how people use dto live. It is Rescue Archaeology.

This year's new excavation was at 53rd Street and 3rd Avenue in midtown Manhattan —where an office block was to be put up—at the request and under the supervision of the New York City Landmarks Preservation Commission.

The City employs only one archaeologist, so the work is put out to tender and private firms bid. (Some individuals also bid, especially in the summer as many of them are academics and on vacation.)

It is the developer who pays for the archaeology. Bids are competitive and the final bill may be affected by such factors as the weather or the amount of overtime at weekends, or by discovering unique finds. Final payment comes on delivery of the report. That resolves at once a long-standing problem in archaeology—that it is easy to excavate but hard to get the report out.

At 53rd and 3rd there was three weeks' digging in April; the report was ready in September. The whole work cost about $55-60,000, which is little enough compared to the overall costs of the building. Five to 10 archaeologists were working at any one time, wearing hard hats, and being paid $6.50-8.00 an hour and $8.00-$10.00 for crew chief.

The excavators at 53rd and 3rd had high hopes of Indian remains. The site is by the course of the Boars Mill Stream coming down from Central Park to Turtle Bay, though in 1871 the stream was forced into a sewer. Indians are rather sparse in the region: there is some evidence round the fringes, including by the Cloisters, and in South Brooklyn. On the East Side no settlement remains have yet been found, which may mean that there were no permanent settlements but only fishing stations.

It was hoped also that the first dig in midtown would produce archaeological evidence of the great move up Manhattan that happened from the end of the Civil War into the 1880s, even though 53rd and 3rd was not in a then fashionable part of midtown but industrial.

The documents showed there had been small breweries there —of which there were hundreds in old New York—and suggested that the best places to dig would be in the undeveloped backyards of the borwnstone houses. The brownstones took half of their plots. Four trenches were put down in the yards.

No Indian remains were found. Instead, there was a late 19th century use level, with standard kaolin pottery christened "whiteware," clay pipes, children's marbles, a glass trivet with part of the name of a William C. Child (who is known to have had a liquor store in 1895 where he produced beef, iron and wine tonic) and parts of solid china dolls, which may be identified in the catalogues of Montgomery Ward and Sears Roebuck of the time.

The dolls have large bellies and large buttocks. If they were found in a less developed culture or a prehistoric one they would immediately be classed as fertility symbols—such may be the error of archaeologists' ways.

Below the use level was the construction level, mostly ground brick and rubble, but with a sump with oyster shells one one side and sherds—broken pottery—on the other for two soakaways. Below this was a clay fill level, with a few artefacts mixed all the way through, which was 3m deep to the original land surface.

There is nothing spectacular then, but the test is still of value. It is a beginning. It gives a strong sense of the continuity of life in New York by forcing us to look archaeologically at relatively recent objects which we should otherwise take for granted.

So the archaeologists end by reviewing man's environmental impact on the island. An exhibition is planned when the office block opens. In lower Manhattan, Goldman Sachs has restored an 18th century privy and a 17th century well and covered them with plexiglass: something to see—an appropriate action since Hetty Goldman, excavator of Tarsus in Turkey and Eutresis in Greece was one of the family.

Trevor Bailey on the trials of soccer managers

Hot seats in high demand

UNLIKE PHEASANTS, partridges and grouse, football managers do not enjoy a safe season because they can be shot on any day of the year. It is hard to imagine a more insecure situation.

The latest to be sacked was Alan Mullery of Queens Park Rangers, which was immediately followed by his chairman's aborted frigid flortation with Don Revie, which made even bigger headlines.

Alan's dismissal was unusual, because his team were not in the relegation zone and could, though improbable, reach the final of the Milk Cup and the FA Cup. There were in a similar position to Everton at the same stage last year, when Howard Kendall's post was far from safe, but who finished in glory with the most improved team in the country.

Mullery was unlucky in four respects. He inherited a well above average side from Terry Venables, an outstanding manager. He experienced dissension in the dressing room and performances on the pitch suffered accordingly. Unlike most managers he was not given a year or so to prove himself. Finally, Rangers are essentially controlled by one man, Jim Gregory, whose record for hiring and firing is high for a First Division club. QPR has had 13 managers since the war.

Clubs which are, or have been, dominated by an individual director, have an exceptionally high managerial casualty list. For example, Fulham have had 13 and Crystal Palace have so far notched up 19 since the war. Inevitably the turnover is large among the small clubs which have spent much of their existence struggling in the lower divisions, like Newport County with 16, Bournemouth 15, Brentford 15 and Orient 14.

But this group contains managers who have done exceptionally well and wisely moved on to greener, higher yielding and more secure pastures.

The wise will seek a club with a civilised established intelligent board with share control, which still believes in loyalty and will give this to him. West Ham, Southampton and Ipswich are in that category and it cannot be coincidence that they have had only four, five and six managers respectively since the war and several of these left voluntarily.

The ambitious will go for the highly paid top position, with a big club with money, support and star players. Manchester United probably have more talent in their reserves that some have in their first team. In return, the manager has to produce success on the pitch and if he fails he must accept much of the responsibility.

Anyone thinking of becoming a manager, and there is never any shortage of applications, should realise that he will almost certainly be sacked at least twice and to survive it is necessary to be very astute.

So why do so many want the job? The post keeps them in the sport which they know and to which they have given so much time, provides drama and is well paid. An astute manager will have negotiated a long-term contract.

There is no standard basic wage for league managers. Bobby Moore commands £20,000 a year at Fourth Division Southend United. Many First Division clubs are prepared to pay a basic wage of £40,000 per annum and a few in excess of £60,000. And there are the perks, plus very big incentives for success gained.

Perhaps, the four most outstanding contemporary managers, all with very different styles, have one thing in common. They have done exceptionally well at clubs with a limited supply of money. Two are extrovert, Brian Clough and Laurie MacMenemy. Terry Venables is very suave, the quietly efficient describes Bobby Robson, but they are exceptional.

White nightmares

SKIING
ARNOLD WILSON

THE ANNUAL dream of a white Christmas—usually taken for granted in the mountains of Austria—is gradually turning into a potential nightmare. To put it bluntly—there is no snow. While poor snow conditions in mid-December are not uncommon, a complete absence of snow is virtually unheard of.

Early skiers, desperate to find somewhere to ski are flocking to the glaciers where ironically snow fell plentifully at just the right time—the end of September. Though business is extremely brisk above 9,000 ft with as many as 7,000 people swarming onto each of the Tyrol's high altitude slopes like Hintertux, Stubai and the newly opened Pitztal, refugees from traditional resorts like Mayrhofen, Alpbach and Igls where there is currently no snow at all.

Only two "normal" non-glacier resorts — Ischgl and Kuhtai — have the barest minimum snow to open some lifts. This could be the year when those snow guarantees may be a vital part of your holiday.

National Holidays, which has brought us to the Tyrol for some pre-season skiing, offers up to £5 a day towards transport to higher slopes if there is insufficient snow in your destination resort.

Normally this would just mean transferring to a higher resort. But in the rare event of no snow at all National's resorts — Hochzillertal, St Johann, Wildshonau and Igls — are all within reasonable distance of good through crowded crowded glacier skiing. Pitztal — opened a year ago — has an underground cable train that wisks you Disney World style to the glacier in seven minutes. Meanwhile lower down the slopes it's an agonising wait.

Brigitte Hohlrieder from the tourist office in the low-lying resort of Niederau (2,500 ft) cannot remember it failing to snow by now during her tender 21 years.

"We are sending early guests to the Hintertux glacier," she says. It's a two hour journey. The real crunch will come when the trickle of skiers turns into a flood in a week's time. Meanwhile phones from Britain to resorts all over Europe—the "cold" lines—are humming with calls asking whether the snow has arrived yet.

Until it does guests will either have to crowd on to the glaciers where there is good snow and beginner slopes—or sit tight in their hotel rooms watching videos of what the resort should look like at this time of year.

FINANCIAL TIMES

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Saturday December 15 1984

Celebrating a bad patch

SIR PETER MIDDLETON, the permanent secretary of the Treasury, is sending out an engaging Christmas card this year of an allegory of Good Government. The picture, by Ambrogio Lorenzetti, a 14th century Sienese, shows an orderly scene of a wise ruler attended by the cardinal virtues, and waited on by an admiring crowd of citizens. It is something, in short, quite unlike the home life of our own legislature.

The Government of today is going through what politicians like optimistically to call a bad patch. It has just retained one of its safest seats with a drastically reduced majority. It is in trouble in the House of Commons with its own supporters, assailed in the Lords by distinguished Conservative veterans, and contending in the outside world with a runaway money supply and a weak oil price.

It is odd, then, at first sight, that the stock market has never been in better shape. Government stocks, perhaps symbolically, have been weak, but equities—and, indeed, the Government's own indexed stocks—are ending the year at their highest levels. A less austere Prime Minister would have made something of this vote of confidence when she confronted the 1922 Committee this week, as did Sir Harold Wilson, a far less ideological man, in his time.

On closer inspection, however, the market's optimism seems to be reasonably well founded. The bad news, such as it is, is far from surprising—which means that it has long been discounted. On the other hand, some of the apparent economic clouds have silver linings which seem more visible to apolitical investors than they are to ministers preaching the Puritan virtues.

In a phrase, lower sterling is good for profits, because it implies a cut in real wages. When sterling is brought down by the weakness of the oil market rather than by a government yielding to domestic inflationary pressures, the benefit is fairly unambiguous.

Alternative

First, though, the political scene. The sweeping victory of the stay-at-homes in the Enfield Southgate by-election was almost exactly what was forecast by every level-headed politician; and this means that it will not change the political scene in the least.

The Liberal success in displacing Labour as the effective alternative was rather more complete than anyone expected until quite recently. The unhappy Labour party, mourning its lost deposit—and perhaps, too, the news that its main supporter in the press is owned by a mysterious trust in Liechtenstein—is turning, as is its habit in adversity, to the new round of infighting.

All this will confirm the Tory rebels in the belief that they now have a constitutional duty to provide an effective opposition.

None of this worries the City in the least, because the City does not see itself as having any equity in the Government's more contentious proposals.

It is bored with the fate of the metropolitan councils, unimpressed with rate capping, and completely detached from such issues as the future of Stansted or the Sizewell B power station — the local and environmental issues which are such favourites with backbench rebels.

And if the Chancellor finds himself in the firing line, with his showy kites about VAT extensions and new rules for pensions shot out of the air, the City will be relieved. It has no love for radical reforms, or for surprises of any kind. It simply wants sound management — and a victory, some time or another, over Mr Scargill.

Is it getting sound management, though? The great leap in the money supply would have been read, until quite recently, as decisive evidence that it was not. The really surprising non-event of this holiday season has been how calmly the City has taken the news this time round.

Implications

To be sure, the signs are unusually difficult to read. The rush for British Telecom was such a financial tidal wave that it will be some time before monetary soundings can be regarded as reliable.

All the same, there is a suggestion in the market's reaction that the figures are believed, that they confirm the inflationary implications of weak sterling — and that investors are not unduly worried. When gilts go down and indexed gilts go up, the market is discounting higher inflation; but when equities set records, that doesn't sound like forbidding news.

The fact is that the City had already done its sums on the revenue implications of sterling's fall against the dollar, and the promise this implies for the Budget. It had already calculated that the fall in the effective rate which has appeared since the oil price softened is good for competitiveness, as they now know on the Clyde. That means higher exports—as recent figures have suggested—and high profits.

Mrs Thatcher would never admit it, but the market seems to regard higher prices as a small price to pay.

UK PENSIONS

Why the industry is fearful

By Eric Short and Clive Wolman

SENIOR managers, policemen and civil servants were all reported this week to be contemplating early retirement.

This sudden rush for the exit was sparked off by widespread fears that the Chancellor was about to change the rules on pension schemes in his next Budget by hitting the currently tax-exempt lump sum which employees receive as part of their benefit.

Thursday's statement by Mr Nigel Lawson that anyone retiring after the Budget would not be worse off than anyone retiring before should have allayed the most immediate worries of older employees. But the Chancellor has done nothing to banish the long-term fears that radical reform is on the cards next spring.

Pension schemes are widely accepted as one of the most tax efficient forms of saving. They offer three major advantages. First, payments into schemes both by employers and employees are exempt from income tax. Next, no tax is payable within the fund on investment income or capital gains. Finally, and most controversially, the proceeds paid out in the form of a lump sum on retirement are also free of all taxes.

Under the rules which have governed pension arrangements in the UK since the 1920s, this cash sum can be up to 1½ times an employee's "final" salary (that is, the salary at retirement) which can be a sizeable amount of money especially for senior managers. Hence the furore this week with rumours rife that the Chancellor might be eyeing this long standing tax privilege as a suitable case for reform.

Why should the Chancellor even be considering changing the tax structure? All his predecessors at No 11 have actively encouraged private pension provision, both by companies and by the self-employed. The pensions industry is still somewhat bemused by the change of course.

In the Commons on Thursday, Mr Lawson appeared to cut from under his feet one of his two primary reasons for attacking pensions — namely his eagerness to reclaim some of the "lost" revenue. In 1983-84 the tax relief on the employees' and employers' contributions cost £1.1bn each, the exemption of pension funds' investment income cost £2.25bn and the lump sum exemption cost £50m. [illegible] partially offset by [illegible] income tax on pension [illegible].

The Chancellor's assertion that there was no reason for anyone to retire early and that there would be no retrospective legislation probably means that any tax changes would be phased in slowly. Taken to extremes, the phasing-in period would have to be extended until 2025, at least, in order to remove any element of retrospective legislation.

At all events, changes in the tax rules for pensions are unlikely to make much contribution to boosting Government revenue and making way for reductions in income tax.

The second justification for extracting more tax from pensions fits in well with the personal pension proposals produced by the Department of Health and Social Security earlier this year. This is that the current tax regime favours saving through pensions over other forms of savings and investment. It thus encourages investment through institutions at the expense of direct investment by individuals, as the Chancellor emphasised in his last Budget.

The most anomalous tax privilege is the tax-free lump sum payable on retirement which has spawned a variety of tax avoidance schemes. As the accompanying article shows, high income-earners receive a much larger benefit from the state than low income-earners.

It would be possible to tax the lump sum without retrospection by dividing each payment according to the length of service of the employee before and after a cut-off date, say April 5, 1985. Only the portion of the lump sum attributable to employment after that date would be subject to tax. This was the principle followed earlier this year by the Australian Government when taxing lump sums.

Even if the lump sum were fully taxed, pensions would still be more fiscally privileged than any other form of savings. This is because the tax on pension contributions is effectively deferred until after the employee's retirement.

Equally important, the financial markets, in particular the market in Government "gilt-edged" securities, would continue to be distorted by the sale of assets by tax paying investors to tax exempt pension funds shortly before the half-yearly (taxable) dividends are paid—which are then bought back again afterwards. This anomaly could be removed only by taxing the investment income and capital gains of pension funds.

But to introduce such a change without retrospection would require a distinction to be made between the investment of contributions made before the cut-off date and the investment of later contributions. It would be difficult to devise a more effective job creation scheme for actuaries.

Mr Lawson's problem is how to act without hitting company schemes severely.

The fear of the pensions industry that in his zeal to seek fiscal neutrality, he will introduce measures that would not only end executive pension schemes and pension mortgage schemes, but would also make it impossible for employers to continue their company pension scheme.

So Mr Lawson is being told, directly and through lobbying of MPs that a 25 per cent tax on pension funds investment returns would either send contribution rates up by two-thirds or cut benefits back by 40 per cent (incidentally making quite a few schemes insolvent in the process).

The CBI has told the Chancellor that industry cannot stand these levels of extra cost. Indeed Mr Robert Horton, a managing director of British Petroleum and chairman of British Petroleum Pension Trust, stated categorically that it would mean a benefit cutback.

Mr Lawson may not believe these scare stories, given that the average pension fund last year earned 25 per cent on its investment — 20 percentage points more than price inflation —and may not therefore need such big employer contributions.

He may not believe the other warnings from the pensions industry that many employers faced with loss of tax exemption on their schemes would simply wind them up and put their employees back onto the State scheme. But since one objective of this Government is to curb the drain of the State scheme on public expenditure, then Mr Lawson will have to take this possibility.

How Ian and Lorna could make a small fortune

IAN McPHAURESTALL, aged 54, is an executive director of a small company, Greasy Widgets, whose fortunes were last discussed on these pages on March 17, writes Clive Wolman.

His wife, Lorna, aged 49, is also employed by the company to work as his personal assistant and secretary which allows her to do most of her work at home.

The two McPhaurestall children have recently left home to go to university and the parents are planning to move to a smaller bungalow in the area.

The story of the McPhaurestall family which follows is by no means typical of the vast majority of people who have invested in lump sum pension schemes. But it illustrates how present laws can, perfectly legally, be used to maximise tax advantages.

Although both Ian and Lorna have been working for Greasy Widgets for 16 years, the company has been struggling until recently and their pension entitlements are poor. Lorna has no company pension rights, and her salary is only £4,853 a year.

Ian's pension from Greasy Widgets should, on current funding rates, be worth about half his final salary when he retires, five to ten years hence. But he has no additional entitlement to a lump sum payment on retirement. His salary, including the taxable value of his company car and other fringe benefits, comes to £60,000.

The prospect of moving home leads the couple to ponder their longer term financial future and they begin to worry about their poor pension provisions. So to discuss their problems, they invite over George Allsses, the finance director of Greasy Widgets and a tax adviser of great enthusiasm.

"What you should do to start with is take out a £30,000 mortgage on your new bungalow," said George, after reading their papers.

"But we don't want to borrow money—we need to save it," said Lorna, becoming slightly irritated.

"It's nothing to do with borrowing," said George, slightly taken aback. "It's a matter of pocketing a gift from the taxman. After tax relief at Ian's top marginal rate of 60 per cent, the mortgage will only cost you 4½ per cent interest—and you can re-invest the money to get 8 per cent interest after tax—or you can spend it."

"But what about paying off the mortgage?" said Ian.

"You will be doing that out of the tax-free lump sum I am going to arrange for you to take on retirement," said George, pulling up the sleeves of his jersey in anticipation. He wrote out a few calculations.

"I suppose our problem is that we don't really want to have to cut back on our standard of living to save for a better pension," said Ian. "We've already booked a Far East cruise for next year — it's going to be difficult. Last year we managed to save about £3,500 — but that was the limit."

"You mean you've been saving all that money out of taxed income?" said George. He nodded his head in sorrow and went back to completing his calculations.

"Well, in five to six years' time, I think we can arrange for you to be given a tax-free lump sum together of about £120,000, that's after you've repaid your mortgage," George announced. "And what is more, you will not have to cut back at all on your standard of living."

George went through the figures with Ian. Provided he can afford to accumulate enough in his executive company pension plan, he would be allowed to take 1½ times his final salary as a tax-free lump sum at the age of 60. He could take it without even being obliged to retire.

Ian expects his salary to increase by about 7 per cent a year over the next five years, provided Greasy Widgets continues to thrive. With a slightly more generous increase in the last year, but not enough to incur the wrath of the Superannuation Funds Office, his final salary would reach £90,000 and maximum lump sum £135,000 free of tax. "The more you earn, the bigger the tax break you get," explained George.

To receive this figure, Ian would need to invest nearly £22,000 a year over five years. This could be achieved by his agreeing to sacrifice £15,000 of his salary which would then be invested on his behalf in the pension scheme free of tax. This would be invested on his behalf in the pension scheme free of tax. This would be in addition to the £2,000 of contributions per year already being made. He himself could make further contributions of another 15 per cent, the maximum permissible of his remaining £43,000 salary on which he would be granted full tax relief. In his final year, however, no salary sacrifice should be made so as not to reduce his lump sum entitlement.

Because Ian is using a company, rather than self-employed scheme, there are no strict limits on the proportion of his income which can be contributed by the company on his behalf, except that the contributions cannot be excessive for providing a pension.

His wife could achieve even greater tax efficiencies by allowing the majority of her salary to be taken in the form of pension contributions. If her income after deducting these contributions were reduced to below £1,767, she would be exempted from making National Insurance contributions of 9.0 per cent of her salary. And Greasy Widgets would be exempt from making employer's contributions of 10.45 per cent, which instead could be added to her pension contributions.

Lorna's large pension contribution, of £3,600 or two-thirds of her salary would only be permitted because she has accrued no pension rights.

After five years, when she could retire, her final salary should have risen to about £8,000 which would allow her to take a tax-free lump sum of £12,000. The remaining value of the invested contributions not spent on the lump sum, probably about £10,000, would be used to give her a pension. This would be subject to income tax but not to National Insurance contributions.

For the McPhaurestalls to maintain their standard of living, they have to make use of the £30,000 they have borrowed as a mortgage. This could be used to buy a temporary annuity for five years or, better still, some tax-privileged asset such as low-coupon Government securities which could be cashed in steadily over the next five years. The £30,000 could thus be converted into an income after tax of about £7,800 a year for five years.

The mortgage would be paid off after no less than five years by using £30,000 from the tax-free lump sum.

"So we've managed to conjure up a £120,000 tax-free lump sum, plus a small pension for Lorna by just a little routine planning—none of the fancy stuff you hear about," said George triumphantly.

"This is all terribly generous of the company, if they really agree," said Lorna.

"Greasy Widgets does not have to pay out a penny," explained George. "It's just a matter of transferring money to you from the taxman."

Clive Wolman

CREATING £120,000 AT NO COST

BEFORE

IAN	£
Total income	60,000
Pension contribution	−2,000
Taxable income	58,000
Tax payable	−25,867
National Insurance	−1,170
Net income	30,963

LORNA	
Total income	4,853
(Employer's NI	507)
Tax payable on joint assessment	−1,708.8
National Insurance	−436.8
Net income	2,707.4
Net joint income	32,670.4
Annual savings	−3,500
Net spendable income	30,170.4

AFTER

IAN	£
Total income	60,000
Salary sacrifice	−17,000
Pension contribution (personal)	−6,450
Mortgage interest (at 11.25%)	−3,375
Taxable income	33,175
Tax payable	−11,405
National Insurance	−1,170
Net Income	20,600

LORNA	
Total income	5,360
Pension contribution	3,600
Taxable income	1,760
Tax payable on joint assessment	0
Net income	1,760
Net joint income	22,360
Annual proceeds from £30,000	7,800
Net spendable income	30,160

Letters to the Editor

Liability of directors

From Mr A. Whalley

Sir,—Your leader of December 12 is misguided in relation to disqualification and personal liability of directors.

What we needed was a more satisfactory way of making a minority of delinquent directors personally liable under existing law. What we got was an arrangement whereby a majority of honest folk will be deemed guilty until they have spent most of whatever they have left proving they are innocent.

If "authority" could be relied upon to use existing laws to make delinquent directors personally liable there would be no need for disqualification.

Anthony Whalley.
7, Clarence Road, Windsor, Berks.

Help for rural areas

From the Director of Planning, W. Yorkshire Metropolitan County Council.

Sir,—I could not help but notice the reference (November 30) to "Counties seek aid for rural areas." It may appear surprising to many readers that one of the much-maligned metropolitan counties is also involved in the new rural development programmes.

Here in West Yorkshire, the metropolitan county council has provided the secretarial and staff to work with the two district councils, CoSIRA, English Estates and the Yorkshire Rural Community Council to produce an RDP for the Pennine area covering Todmorden, Hebden Bridge and Marsden. This will be submitted to the development commission in the next few weeks.

The county council as well as providing the secretariat for the Pennine RDP will also be contributing in many other ways both in manpower and financial resources over the five years to ensure the success of the programme. I can still only wonder at the audacity of the plans of Patrick Jenkin, the Secretary of State for Environment in his Abolition Bill that he can not see a role for county council's in this country's major areas of population. How will the Pennine rural areas be developed and encouraged without the help of county council resources?

M. C. Bradshaw.
Cliff Hill House, Sandy Walk, Wakefield.

Trailing in science

From Professor B. Crossland

Sir,—No doubt, Sir Hermann Bondi is correct in his concern that Britain is falling seriously behind the leading scientific nations. Perhaps more importantly, however, we are falling even further behind in the application of science to design for profitable manufacture, as is clearly demonstrated by the sad fact that we now import more manufactured goods than we export.

Probably we have for the whole of history spent more money in support of science than in the support of engineering, and this has resulted in the calamitous decline we have been and are experiencing. It is a chicken and egg situation; unless we can improve our manufacturing industry we are unlikely to earn the wealth required to adequately support science, while if we do not spend adequately on science we may ultimately not have the ideas to exploit.

The Engineering Council has clearly delineated the resources required in our institutions of higher education and further education to educate the chartered engineers and technicians we need, and they have also noted the resources required for training. Unfortunately in the present debate about financing of higher education there is frequent mention of transfer of resources to scientific research, but none of the urgent need for additional resources which must be made available in engineering education and training if British industry is to survive and prosper. It is to be hoped that the need for more and better trained chartered and technician engineers and the resource implications are not lost sight of in the smoke of the present political battle.

(Professor) B. Crossland
Queen's University, Belfast.

Life companies' market?

From the Chief Executive, Benefits Marketing, Stewart Wrightson Benefit Consultancy.

Sir,—Your headline on December 5 stated "Only life companies should market personal pensions." In their evidence to the Norman Fowler Inquiry, the representative bodies of the life companies have apparently made this recommendation.

So now the truth is out! The life companies' general support for the personal pensions concept is now seen for what it really is—an opportunistic attempt to recoup in the form of individual insured pension policies the large amount of investment lost to pooled and segregated fund managers.

The fact that the Government's proposals on personal pensions will very likely be bad for the majority of final salary pension scheme members will matter little in the life companies' quest for business.

If we must have personal pensions—then at least, let us not have a "closed shop."

D. T. Hall.
Kingston Bridge House, Kingston-upon-Thames, Surrey.

Tinkering with pensions

From Mr R. Ireland

Sir,—Your second leader (November 27) states that the Government is justified in reviewing the pensions industry's privileged (tax) position. You misunderstand the position. The privileges accrue to members of occupational pension schemes, the existence of which is threatened by a Government which insists on tinkering and keeping the current debates in separate compartments in order to prevent members of pension schemes from understanding the enormity of the suggestions coming out of the DHSS and the Treasury and the likely effect they could have on their pensions and standards of living in retirement. Contrary to popular belief, there are still a great number of employees who qualify for maximum occupational pensions and make their financial dispositions accordingly.

No matter what justification the Government may have for reviewing occupational pensions it has none for penalising millions of scheme members. What it ought to be doing is promoting the extension of occupational pension schemes so that in the years ahead fewer people need to rely on supplementary benefits and state handouts.

There are many odd things about this Government, but none more confusing than its ability to alienate those who should be its natural supporters.

R. Ireland.
10, Catherine Drive, Sutton Coldfield, W. Midlands.

Seven coins will suffice

From Mr M. Swiss

Sir,—A Bath University team under Dr D. Graham, in the course of their work on quite a different matter, has established that with but seven coins of different values, viz 1p, 4p, 9p, 24p, 35p, 49p and 51p, every desired amount may be paid exactly using at most four coins.

The greatest amount in consecutive series would be £1.62p, but obviously £2.04 could be paid by handing over four 51p coins, though not, for instance, £2.05p, so the consecutive series beyond £1.62p breaks down.

This may be of use in the present controversy over the £1 coin which thus appears quite unnecessary. Beyond the coins listed above we might possibly have a banknote valued £1.50p. Such a choice, while pandering to the public love of round figures, departs from the strictly mathematical. The proposition is worthy of very sincere consideration by the Mint and the Bank of England.

M. Swiss.
19a, St Botolph's Road, Worthing, Sussex.

Environmental concern

From Mr R. Buckle

Sir,—Dominic Lawson's interesting article (December 5) on the East Midlands oilfields, might give the misleading impression that residents of such celebrated areas as the Vale of Belvoir are unconcerned about their environment. This is certainly not the case.

The Vale of Belvoir Protection Group has never opposed any exploratory drilling applications, because it considers that it is in the national interest that the country's energy reserves should be evaluated. In the event of large oil bearing structures being discovered in the Vale of Belvoir, the group would require the oil companies to demonstrate that the timing of their development was in the national interest before any substantial production facilities were built.

It is recognised that oil extraction inflicts far less environmental damage on an area than coal mining. Nevertheless, oil companies would be required to devote a reasonable proportion of their anticipated revenues to the reduction of environmental impact.

Ironically the National Coal Board has objected to BP's application to drill for oil in the parish of Redmile, near Belvoir, even though its planning application for a mine in the Vale of Belvoir has been rejected by the Secretary of State.

Has the Coal Board joined the environmental lobby, or does it still have designs on the Vale of Belvoir? I think we should be told.

R. N. Buckle.
142 Chiswick Village, W4.

Man-management training

From Mr P. Veevers

Sir,—Bearing in mind the state of British industry, the recent remarks of Sir Michael Edwardes about British management and the fact that we have just had 25 years of "the age of the management consultant," is it not time that some serious attention be given to the subject of how industry and, especially, the people in it are managed?

I am totally convinced that we need a National Institute of Leadership and Management; and that anyone managing more than 50 people should be subjected to rigorous selection and training in man-management matters.

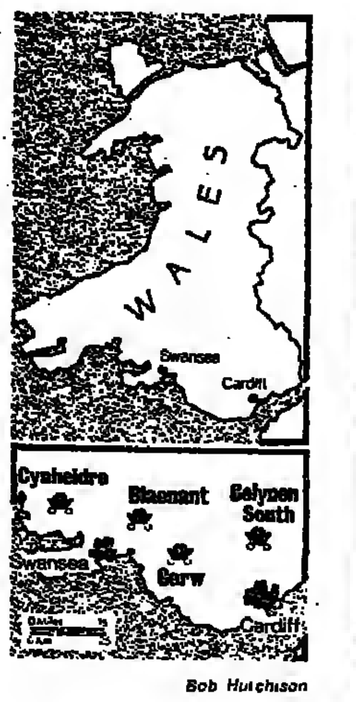
Peter Veevers
15, Market Place, Warminster, Wilts.

SOUTH WALES MINERS

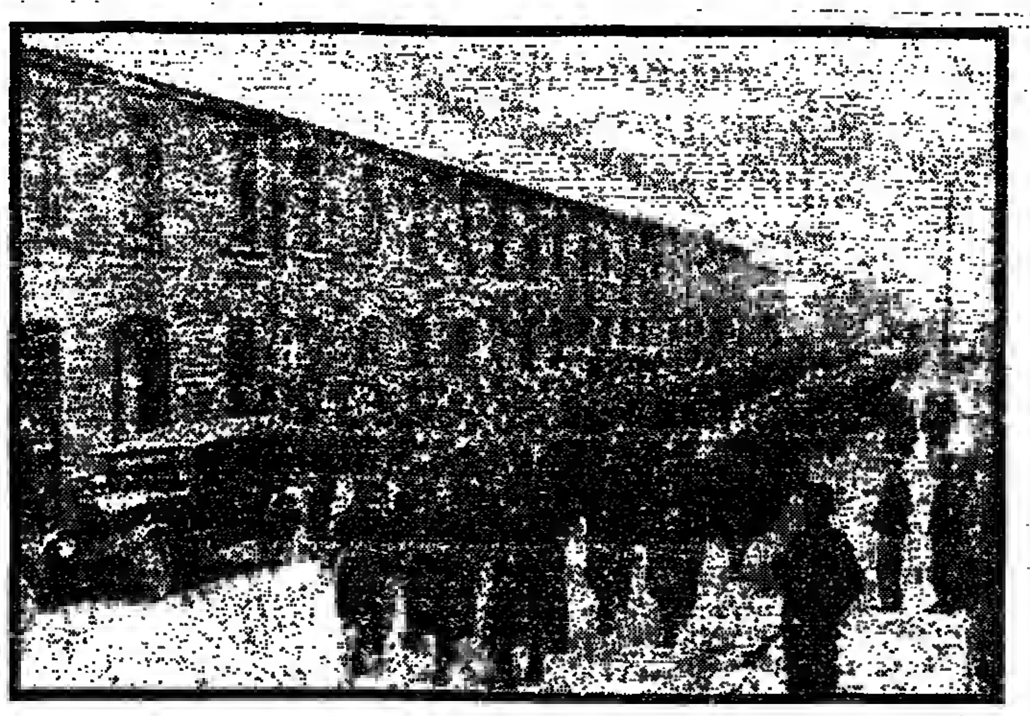
DURING THE 1929 coal strike in South Wales, a local press photographer captured a haunting image in the main street of the village of Garw.

Between the twin rows of low cottages march three working miners, or "scabs," as they were to their neighbours, who stand watching from the doorways in sullen fury.

The three men, in the working clothes of 55 years ago, and with the coal dust of their shift still on their faces, for that was before the era of pithead baths, look nervous, as wel they might; at the same time they look jaunty in the defiance. And that, too, is explicable. For the files of policemen escorting them home stretch out of sight at the top of the picture: a full battalion of policemen marching through the village to protect just three men against the implacable wrath of their neighbours.



Bob Hutchison



Excommunication and heretics in the valleys

By Godfrey Hodgson

Not much has changed in South Wales since 1929. The miners are out again, for the fourth time in five years, and this time they have been out for ten months. The police are still out in their dozens to protect the handful of men who — except at two of the area's 27 pits — are all that have dared to break the deepest taboo, and the most pitilessly enforced in their community, by going to work when the rest of their mates were on strike.

In other coalfields, even in the North-East with its long tradition of political radicalism, or in Arthur Scargill's own South Yorkshire, there were some who defied the strike from the beginning, and hundreds more who drifted back to work since the Coal Board's offer of a Christmas monus. In South Wales, although union members voted in a ratio of 18 : 10 not to strike in March, obedience to the union's strike call has been virtually total.

Until a month ago, not a single man, out of almost 20,000 Welsh miners, was at work. Since the Coal Board launched its all-out drive to get men back to work a month ago, it has succeeded in persuading 128 (according to its own figures) or 115 (if you believe the union) in going back to work.

Of those, over 100 are at two pits only, at Cynheidre in the extreme north-west of the coalfield, and at South Celynen in the extreme east. Both are unusual in other ways. South Celynen pitment have a high average age, and their pit was due to close this summer anyway. Many of those who have gone in to work will be concerned about their redundancy money. Many of the Cynheidre men live in Swansea, outside the influence of the mining communities.

Why have the South Wales miners shown such solidarity? What is it that makes them different? In so far as the Welshmen are the pure type of trade union loyalty and intransigence, to understand them may also help to understand their brothers in other parts of the country.

It is tempting to answer in terms of history and geography. "I've just left the reason why South Wales is different," said Arfon Evans, the young NUM lodge chairman at Mardy in the Rhondda. "I've just diven over from Tanypandy."

Wales is, after all, "another country," with its own history, its sense of un-Englishness, its own language, spoken by some of today's miners and by many more of their great-grandparents.

Superimposed on that older Welshness there are the new legends, from Taff Vale and Tonypandy to Aberfan and last week's picket line.

The geographical isolation of the mining villages, strung like black pearls along the narrow valleys from Ebbw Vale in the east to the Rhondda, or perched on the slopes of the Neath and Dulais glens in the north, with their grandstand views over the forest and moorland of the Black Mountains, has obviously helped to preserve both a sense of community, and a sense of differentness from the world outside.

"Show we a valley where you can't get out at the top without ropes," says Philip Weekes, the National Coal Board's area director for South Wales, a man whose experience goes back to the days of the Tredegar Coal company before nationalisation, "and I'll show you a place with union troubles."

But it may be artificial to analyse the separate influences of topography, history and political tradition. For one thing, they have melted down in South Wales to form a uniquely proud, defiant working class culture in which loyalty to the union and class consciousness are still largely taken for granted.

For another, there has been change in the valleys. Their isolation began to diminish from the day the first bus ran down to Cardiff in the 1920s. There are now fewer than 20,000 miners In 1913 there were more than 250,000.

Welsh miners moved out to factory jobs in the 1930s, to be school teachers and then graduate professionals. Suburban Cardiff is full of miners' children who have left the culture of the valleys: three of the city's four members of Parliament are now Tories.

It is not to deny the influence of geography and ancient history to point out that more recent events have preserved the militancy of the mining villages when in other working class areas it has all but disappeared.

South Wales pits are high cost pits. To be sure, many of them produce coal, especially anthracite, that fetches premium prices. And Dr Kim Howells, research officer for the area NUM, insists that the critical factor in production costs is the amount of investment.

Still, South Wales pits are hard to work because of their geology. Their miners believe they have been deliberately starved of investment because of their history of militancy. However that may be, they know that, unlike their brethren in Yorkshire and the Midlands, they have no big new fields like Selly or the Vale of Belvoir waitin gto absorb them.

They are aware, too, that aggression can be sucessful. In 1979 the community of Mountain Ash mobilised against the closure of the Deep Duffryn pit. They failed to save the pit, but, says Hywel Francis, historian of the miners' union, "what happened there has spread."

In 1981 the whole coalfield came out and forced Mrs Thatcher, if not into a U-turn, at least into a body swerve, as Scots miners' leader Mick McGahey put it.

So morale was high. But there are also more mundane reasons why union discipline has held firm. The union has been well-organised and effective in looking after itsm embers and their families. The headquarters in Pontypridd are full of old ladies being helped with inquiries about coal.

There have been no evictions. "There would be bloody hell if there were," one official told me. The union has negotiated with electricity, gas and water authorities to ensure that services are not cut off so long as minimum payments are kept up. Incidentally, the union has also co-operated with NCB management in doing essential maintenance on pits, something that has not happened in other parts of the country. Welsh miners care about their pits.

Support groups, both inside the coalfield communities and across the country, have raised enough money to enable the union to function and to feed families and pensioners.

There has been comparatively little violent intimidation in South Wales, except for the well-known tragedy when a taxi driver taking a miner to work was killed by a concrete block dropped from a bridge. But there is no need for violence. The union knows how to apply the massive moral force of a code that is still generally accepted in the valley communities.

There is, for example, only one man working at the Phurnacite coking plant in A[illegible]dare. At a meeting this week, in the presence of Arthur Scargill, the lodge chairman called on all members to "make the man's life hell." The women of the village are doing the same for his wife, Mrs Joy Watson. When she visits Tesco's supermarket most ofthe shoppers and even the check-out ladies walk out, and she is served, more or less under proptest, by the manager. When she gets onto a bus, the driver refuses to move, and so on. Or so I was told, gleefully, by union officials.

Union loyalists in the valleys feel towards men who work during a strike rather as our ancestors felt about heretics. There is the same mixture of tender concern as long as there is any hope of saving the backslider, followed by pitiless punishment once he has impenitently rejected not only his own but the community's salvation.

Open-faced, curly-haired, Phil Bowen told me with palpably total sincerity how shocked he was when he discovered that one of his lads had decided to go back to work. "I'd been in his house, you see:" that was what made it worse.

He telephoned the man, met him privately, went to his home to wrestle and pray with him, and offered the lodge's help with any material problems, with his mortgage and so on. Only when all failed did he hand him over to the temporal power, and organise a massive picket of 200 men to greet him as he and three other working miners were escorted off their shift by the police. "He had expected to be a big hero, and now he was in tears."

Another member of the lodge, however, described to me with no compunction how he had led a group of over 100 men, women and children to greet another working miner when he came home from the pit, and how they had "spontaneously" broken into the hymn *Abide With Me*—sung at funerals in Wales—"because he was dead to us."

In the South Wales coalfield, violent intimidation is not practised, if only because it is not needed. Ostracism happens spontaneously, and is more effective. It expresses the super ego of a society that still believes that to work for wages when your neighbours are going without for a principle is nothing less than the sin against the Holy Ghost, and looks no further in its morality than that.

Toys and games

A pursuit that is not so trivial

By David Churchill, Consumer Affairs Correspondent

TRIVIAL PURSUIT, a board game based on inconsequential general knowledge questions, is now the fastest selling game on both sides of the Atlantic. And in the UK it is spearheading a return to more traditional pursuits in the toys and games market this Christmas.

Electronic wizardry is out of favour. The toys and games most in demand encourage the use of imagination in the child and are firmly based on toys—such as dolls and soldiers—that have been popular for generations. My Little Pony, for example, retails at around £3.50 and combines a child's love of horses with the traditional desire to play with dolls.

The fascination with toy soldiers in past generations has been revived in 1984 by a surge demand for plastic figures depicting characters from "Star Wars," popular television series like the "A-Team," and especially Mattel's "Masters of the Universe" figures and accessories. Of the top ten selling toys in Tesco stores this Christmas, six are based on this modern equivalent of toy soldiers.

"There is clearly a return to more traditional toys as the electronic toys and games have slipped in popularity," says Mr John Marshom, director of Tesco's Home and Wear division. Even though Tesco still sells video and electronic toys and games, not one has managed to find a place in its top ten this year.

"We all thought it would take a few more years for the pendulum to swing back towards traditional toys and games," says Mr Gerry Masters of the National Association of Toy Retailers. "The consequence of this shift in consumer demand means that the most popular toys are in short supply this year."

The swing back towards traditional toys has been accelerated by greater use of sophisticated marketing techniques. The demise of many major UK toy companies has left the U.S. multinationals in control, with companies like Palitoy (owned by General Mills), Milton Bradley, Mattel, Fisher-Price, and Hasbro (owned by Warner Communications) dominating the market. These companies know how to identify trends, create a product and build a demand through advertising. Such product ranges are then extended to capitalise on a short-term demand surge.

Selling detergents, say these companies, is no different from selling dolls, if the marketing is right. Typical of this new breed is Mr John Harper, a former Procter and Gamble marketing executive, whose current job as marketing director at Palitoy has been to launch Trivial Pursuit.

This game was the brainchild of three Canadians who, in classic rags-to-riches style, invented it almost overnight, had difficulty getting it accepted by the major games manufacturers, but who are now millionaires in their own right. The game is based on some 6,000 quiz questions which do not necessarily rely on specialist knowledge—such as "What does the telephonist say to the Queen when putting the Queen Mother through?" (Answer: "Your Majesty, Her Majesty, Your Majesty.")

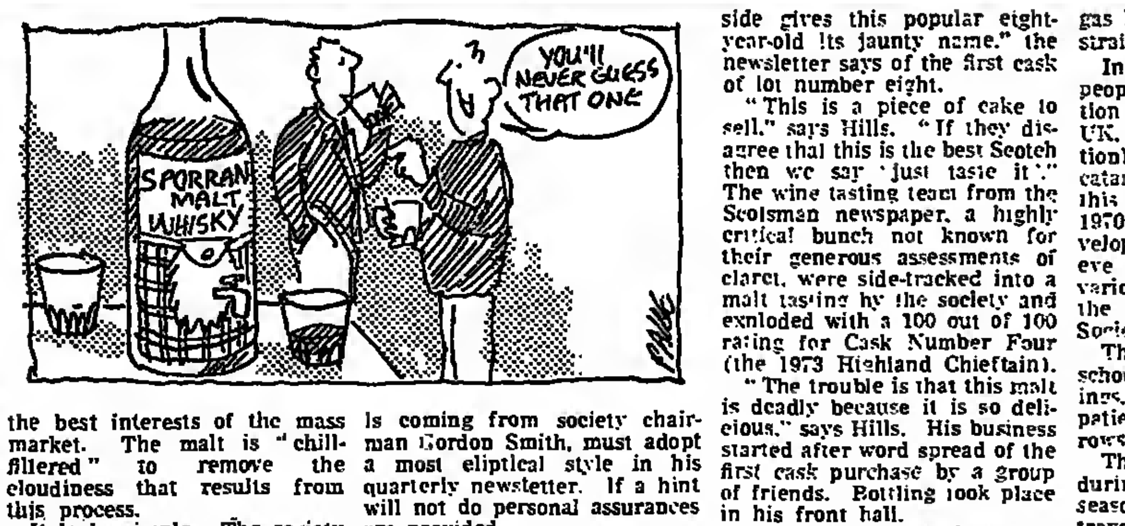
These questions are linked to a simple board game — yet in just two years an estimated one in four U.S. households now own a Trivial Pursuit game and even President Reagan is said to be a fan. An English version was launched in the UK earlier this year and so far some 150,000 sets have been sold at an average price of £20 each. The

Mr Harperh as supported the game's popularity with a £500,000 promotion. "We are trying to project a sophisticated appeal," he adds. The advertisements ran into some trouble with the Advertising Standards Authority for featuring prominent politicians, including Mrs Thatcher, playing the game but the controversy served only to help sales.

Trivial pursuit's success in the U.S. and UK has yet to be emulated elsewhere. The French, for example, have been distinctly lukewarm, with the Le Monde newspaper damning with faint praise by suggesting that "the success of this game can be explained by its deliberate abandonment of any cultural pretensions in favour of futile and ridiculous questions. Even so, worldwide sales so far of $650m have easily put the pursuit of trivia into the record books.

Weekend Brief

Now it's real whisky



Purists such as real ale enthusiasts will appreciate a new purism emerging in Scotland. The success of the Scotch Malt Whisky Society in Edinburgh should be enough to revive the spirits of the whisky industry which has been going through a rough sales patch.

Over 1,200 subscribers have joined the society. What started as a cottage industry based in the front hall of Mr Pip Hills, a founder member and accountant, is becoming a successful, largely mail-order business.

The society specialises in malt whisky bottled straight from the cask, 60 per cent alcohol or around 100 proof.

Blended whiskies—malt and grain alcohol—account for 98 per cent of the UK retail market. Pure malts on the market have, since world war one, been watered down slightly to about 40 per cent alcohol or 75 per cent proof possibly in the best interests of the mass market. The malt is "chill-filtered" to remove the cloudiness that results from this process.

It looks simple. The society buys malt whisky in casks, bottles them and sells them. But the process is actually vastly more complex. The malt has to be bought from distilleries or whisky brokers with the utmost discretion. Occasionally near blood oaths are required that its origins will not be disclosed.

This is partly because the distilleries do not want to damage their own sales of pure malt, undermine their trade mark or taint a fruitful relationship with a big blending company.

To allow members to have some idea where their scotch is coming from society chairman Gordon Smith, must adopt a most eliptical style in his quarterly newsletter. If a hint will not do personal assurances are provided.

On the labels of the green bottle are two numbers referring to the set of casks from a particular distillery and the individual cask number.

"Cask 14.1 twelve months of pleading and cajoling succeds in this astonishing 1976 malt whose origin is so secret we dare not even hint at its name. One of the individual giants. An island malt of special as yourself," the newsletter says.

Some distilleries are ready to be identified: Glenfarclas and Bowmore, for example. For the others, newsletter readers have to do some guesswork.

"A Wee Black Hill on Speyside gives this popular eight-year-old its jaunty name," the newsletter says of the first cask of lot number eight.

"This is a piece of cake to sell," says Hills. "If they disagree that this is the best Scotch then we say 'just taste it'." The wine tasting team from the Scotsman newspaper, a highly critical bunch not known for their generous assessments of claret, were side-tracked into a malt tasting by the society and exploded with a 100 out of 100 rating for Cask Number Four (the 1973 Highland Chieftain).

"The trouble is that this malt is deadly because it is so delicious," says Hills. His business started after word spread of the first cask purchase by a group of friends. Bottling took place in his front hall.

More and more people wanted in for further cask purchases—someone telephoned from Bangkok—and soon it matured, if you will, into a business with an initial £20,000 raised by the syndicate.

The membership is soaring. While I talked to Hills, several powerful men from Edinburgh's Charlotte Square ordered 50 memberships at £23 each (including a bottle) for business contacts. The society headquarters is in an ancient wine vault in Edinburgh's Leith district. A whisky museum will open there along with restaurant, pub and a magnificently plastered members lounge.

Shows of the year

THE sets hal wobble. Scenery changes may be noisy, even taking place—with no human intervention—while the actors are actually reciting their lines.

The performers will catch each others' eyes and "corpse" for brief intervals, generally during the tragic parts. The more conscientious will move their lips visibly, not only during their own but other actors' speeches, to make surethat they do not miss their cue. And the prompter's voice becomes familiar.

But the audience loves every minute—mainly because it is related to the cast. There may be those who go to school plays out of sheer love for the smell of greasepaint, but on the whole the biggest draws are shows in which their own children are starring, or carrying spears, or directing latecomers to their seats.

So the Christmas shows pack them in, sold out for the entire run (even if it lasts only two or three nights). There are shows like *The Wizard of Oz*, which is this season's offering from Sydenham School, a girl's comprehensive in South-East London.

This is more professional than many. Its musical director,

Jack Forsyth, is a former musical adviser to Ken Russell. The overall director, Sydenham's answer to Peter Hall, is Colin Dean, the school's head of drama.

"There's a 20-piece band," said Mr Forsyth, "most of them peripatetic teachers" — which means not that they walk around between numbers but that they are attached to no individual school. "There are five radio-mikes and six rifle-mikes." And 68 in the cast.

In others words, 68 potentially mothers, fathers, grandmothers, grandfathers, brothers and sisters are ready to cram into the auditorium. No need to advertise in the local press (although some schools have done that; to place bottoms on seats in a longer run).

West End managements, who have trouble with even Equity minimum rates and consequently prefer a two-hander or, ideally, a solo performance.

By this token, *Dazzle*, at the Sacred Heart High School, Hammersmith, is over twice as good as *The Wizard*, since its last numbers 150.

"It's panic stations at the moment. Things are going wrong all the time," a school spokesperson said before going to look for the director of this musical parody of *Star Trek* style.

It will be all right on the nights, all three of them, to judge by the rehearsal time: "Every lunchtime, and then from 3.30 to 6 pm, since the middle of October. The leading lady is Patricia Healy; the leading man is Elizabeth Manning."

Two leading ladies, in fact, which tends to happen in all-girl establishments. Some of us have seen an all-boys' production of Oscar Wilde's *Salome* in which an unfortunate, spotty adolescent had to strip to his Y-Fronts amid hysterical cries from the audience of "Get 'm off!" Some of us are prepared to admit that girls probably make better boys than boys make girls.

Mixed schools, such as Fairlawn Primary School, near Sydenham, are one answer, but this leaves leading boys and girls open to the scandal that follows showbiz folk around; in this Christmas's *Oliver Twist*, for instance, Bill Sykes and Nancy have been accused of nothing less than being on speaking terms off-stage as well as on.

In spite of the presence of boys, some of the male parts went to girls, proving that girls can make better boys than boys — in particular, that of Fagin, a magnificant performance dominating the stage, employing a slightly Welsh accent, presumably to avoid charges of racism.

You have missed him/her now. School shows rarely transfer. There are exceptions—a few years ago another primary school, Thornhill in London N1, had two performances of its *Nativity* in the Lyttelton foyer of the National Theatre.

In 1979 it was possible to bring in an outside director. There is no question of Thornhill doing that in 1984, according to Valerie Blackell, who is putting on *The Colourful Classroom*, a reworking of the "Nutcracker" theme. Staff just stretch to classes, but not extras. It must be the cuts. But the show still goes on.

Sad sights in Bhopal

THE THREATS of blindness for about 1,500 of the 70,000 people who have been treated for eye problems in Bhopal since the gas leak are stretching already strained resources.

India has more than 9m blind people among its 700m population (nine times as many as the UK, proportionate to population) and 5m of these need cataract operations. Work on this backlog started in the early 1970s when the Government developed a programme of annual eye camps with the help of various organisations including the Royal Commonwealth Society for the Blind.

The camps are set up in schools and other public buildings, or under canvas, with patients lying in closely packed rows.

The camps have to be held during the dry April-October season because people will not travel the rough country tracks for treatment in the wet monsoon months.

A camp operation can take only three minutes and between 30-100 are usually performed each day.

The Royal Society tackled 147,000 operations last year at 2,000 camps, using volunteer Indian doctors. 800,000 operations were performed throughout the country.

With 1m new cases every year, the problem is not going away. The target now is to increase operations to 1.3m a year so that the backlog can be reduced.

Cataracts are caused by malnutrition, but some experts suggest that India's bright light and dusty air worsens the condition.

"It is the poorest people in backward rural communities who suffer most. The cataracts come at around 45 instead of the age of 70 which is common in developed countries," says Mr Alan Johns, director of the Royal Society.

His organisation spends nearly £1m a year in India—about £600,000 is spent on the eye camps and Vitamin A for infants costs £200,000. The balance goes on education and other advisory work.

This week, Mr Jones, carrying 10,000 tubes of eye ointment from the UK has been in Bhopal with two British doctors to set up a surveillance centre for victims of the Union Carbide gas leak. No one has any practical data on the full impact of the leaking methyl isocyanate gas that caused corneal ulceration in eyes. The only way to try to save the worst affected 1,500 patients from blindness—and to save others partial sight loss—is to monitor their progress over the next few months.

Other doctors are watching for pneumonia, liver and kidney diseases among the tens of thousands of people who inhaled the gas.

Contributors:
Mark Meredith
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BUILDING SOCIETY RATES

	Share a'cs %	Sub'pn shares %	Others %	
Abbey National	6.75	7.75	8.00	Seven-day account
			8.50	Higher interest acc. 90 days' notice or charge
			5.50-8.00	Cheque-Save
Aid to Thrift	9.60	—	—	Easy withdrawal, no penalty
Alliance	6.75	7.75	8.00	7 days' notice. Imm. wdl. if balance £2,500+ Int. pd. ½-yrly., mthly. inc. optn. if bal. £1,000+
			8.50	Bank Save. Bal. of £2,500. Current account
Anglia	6.75	7.75	8.50	3-year bond. No notice, 3 months' penalty
			8.50	Capital share. No notice. 1 month's penalty
			8.00	7 days' notice. No interest penalty
Barnsley	7.75	9.50	9.65	Special Inv. 9.85 2 years, 9.65 monthly income
Birmingham and Bridgwater	6.65	7.70	8.05	5 days' not. or 20 days' int. pen. for imm. wdl.
			8.75	90 ds. shrs., 90 ds. nt. or 90 ds. pen. for im. wdl.
Bradford and Bingley	6.75	7.75	8.25	Premium Access. On demand, no penalty
			8.50	Extra Interest—1 mth.'s notice or 28-day pen.
			8.25	Extra Income—1 mth.'s notice or 28-day pen.
Britannia	6.75	7.75	8.30	7 days' notice. 8.55 28 days' notice
Cardiff	8.10	8.20	8.80	90 days' notice penalty if balance under £10,000
Catholic	8.00	9.00	10.00	Jubilee bond. Min. £1,000. Monthly income
Century (Edinburgh)	8.85	—	9.30	permanent 2/3 years or variable.
Chelsea	8.75	7.75	8.90	3 years, immediate withdrawal interest penalty
Cheltenham and Gloucester	—	7.75	—	Gold. No notice. No pen. Under £1,000, 6.75; Over, 8.25; £5,000+, 8.57 when mthly. int. added
Citizens Regency	7.00	8.00	8.40	7 days, 8.50 one month, 8.75 three months
City of London (The)	7.00	7.75	8.75	3 months' notice—no penalty—monthly income
			8.45	21 days' not. im. access for amnts. over £10,000
Coventry	6.75	8.00	9.00	2-year bond £1,000+, close 90 days' notice and penalty, monthly inc. opt., guaranteed 2.25 diff. MoneyMaker inst. acc. no pen. 8.80 £20,000+, 8.35 £5,000+, 8.00 £1,000+ monthly inc. opt.
Derbyshire	6.75	8.00	8.75	2 y., 3 m. not. with pen. 8.00 no nt./pn. m. inc.
Gateway	8.75	7.75	8.10	Gold Star £1,000+. No notice. No penalties. Monthly int. £5,000+ 8.41 if added to account
Greenwich	6.75	—	8.75	90-day a/c 17-day a/c 8.00-8.50 subject to bal.)
Guardian	7.00	—	9.10	6 months, 8.85 3 months, £1,000 minimum
Halifax	6.75	7.75	8.00	7-day Xtra, 7 days' notice, no penalty
			8.25	28-day Xtra, 28 days' notice, no penalty
			8.50	90-day Xtra, 90 days' notice, no penalty
Heart of England	7.75	9.00	9.80	90-day notice, 9.30 5-day notice
Hemel Hempstead	7.75	9.25	10.00	2 years, 9.65 28 days, 9.85 3 years
Hendon	8.00	—	8.75	7-d a/c min. £500. 9.25 3 mths. a/c min. £1,000
Lambeth	6.90	8.00	8.30	7-d. a/c, 9.00 Magnum a/c 6 wks. & loss of int.
Leamington Spa	6.85	—	8.60	Spa mthly. Income; no not., no pen. £5,000 min.
			8.50	Lien sh.: 1 m. not. or 28 days' pen. £1,000 min.
			9.15	Supershare; no not., 14 days' pen. £2,000 min.
Leeds and Holbeck	6.75	8.50	8.55	Monthly interest, 8.80 28 days' notice or penalty. Neither if £10,000 still in account.
Leeds Permanent	8.75	7.75	8.00	Liquid Gold no not. no pen. HRAS 8.5 3m. not.
Leicester	6.75	7.75	8.00	£500+ im. ac. no pen. 8.95 comp. 3 y. £2,000+
London Permanent	8.25	—	10.25	3-yr. tm. Im. wdl. 90 dys. pen. £10,000+ no pen.
Midshires	6.75	8.25	8.75	2-year term 2.00 diff. guar. 3 mths.' not. or pen.
Mornington	*9.30	7.80	9.50	£2K+, 9.80 £10K+, 10.00 £20K+. *£2,000—
National Counties	†7.05	8.05	9.00	90 days' notice, no penalty. †£1,000+
National and Provincial	6.75	7.75	8.75	HYS (share + 2% guaranteed 3 years)
			8.50	90 days' notice/pen. unless bal. stays £10,000+
			8.25	28 days' not., 8.00 7 days' not./penalty as above
Nationwide	6.75	7.75	8.50	Capital bonds, 3 yrs., 90 days' notice/penalty
			8.50	Bonus-90, 90 days' notice/penalty
			8.25	Super bonus, 28 days' notice/penalty
			8.00	Bonus-7, 7 days' notice/penalty
Newcastle	6.75	8.00	8.50	90 days' notice, 8.25 28 days' notice
			7.75	7 days' notice. On demand with penalty
			9.00	2-year term access with penalty
Northern Rock	7.75	9.00	8.35	Moneyspinner plus £500 or over
			9.60	(£5,000-£19,999): 9.85 (£20,000 and over) 7 days' notice withdrawal, no penalty
Norwich	6.75	8.00	8.50	New City Account. Im. wdl. no pen.
Peckham	8.50	—	9.75	Imm. withdwl. if over £2,000. Monthly income
Peterborough	6.75	8.05	8.75	Flexi-Plus 60 days' notice monthly income
Portman	6.75	8.25	8.50	No notice, 8.75 2 months' notice
Portsmouth	6.90	8.40	9.05	3 years, 8.85 6 months, 8.60 1 month
Property Owners	7.25	8.75	9.00	3 mths., 8.60 28 d., 8.75 6 mths. Effective Dec 1
Scarborough	6.75	8.00	8.75	2-year limited share, 1.75 guaranteed differentl.
Skipton	7.75	9.00	9.85	Sovereign £10,000+, 9.60 £500 £9,999. Monthly inc. 9.60 min. inv. £2,500. 1st. access no pen.
Stroud	7.75	9.00	9.85	3 months, 9.60 £10,000+, no penalty, no notice
Sussex County	7.75	9.25	7.75	up to £2,499, 8.00 £2,500+, 1 mth.'s notice 9.00
Sussex Mutual	7.25	8.50	8.75	Over £5,000 imm. wdl. Under £5,000 7 days' not.
Thrift	8.40	—	9.40	3-year term. Other accounts available.
Town and Country	6.75	7.75	8.75	90 d. not. or pen. No not./pen. if bal. £10,000+
			8.25	7 d. not. or pen. No not./pen. if bal. £10,000+
Wessex	8.60	—	—	No notice—no penalties—min. inv. £1
Woolwich	6.75	—	8.00	7-day account, 7 days' notice
			8.25	Monthly Income Account, 28 days' notice
			8.50	90-day account, 90 days' notice/penalty
Yorkshire	6.75	7.75	8.50	Diamond key, 28 days' notice or 60 days' pen.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK COMPANY NEWS

Plane sales to lift Intasun earnings

THE INCLUSION of capital profits in the second half will enable Intasun Leisure Group to increase its earnings for the year ending March 31 1985, and the directors are raising the interim dividend from 1.8p to 2p net.

However, from its operations the group has suffered a setback of £3.54m to £16.48m in pre-tax profit for the first half ended September 30 1984, and warns that the loss for the winter season will exceed the previous £3.5m.

Capital profits will more than compensate for this higher loss. They will be earned from the sale of two Boeing 737 aircraft less associated costs incurred in the rationalisation of the subsidiary Air Europe. A further profit will arise in the following year as a result of the disposal of a further three Boeing 737's.

In his interim statement chairman Mr Harry Goodman says the travel division carried 804,000 passengers in the first half, representing a rise of 43 per cent in volume over last year, at the same average load factor of 96 per cent. But the summer holiday trade remained extremely competitive and margins were further diminished by the cost of the no surcharge guarantee during a period when the pound weakened against many currencies, particularly the peseta.

Air Europe maintained an operational fleet similar to the 1983 season of seven 737's and two 757's. Although this airline again achieved one of the highest utilisations in the UK industry, the overcapacity put significant pressure on margins and led to an overall drop in profitability.

Mr Goodman says the current winter season so far reflects the trends of a generally less buoyant and predictable market, and margins are down on last year.

On prospects for next summer, brochure prices allow for improved margins compared to 1984, which will be less exposed to fluctuations in the currency and fuel markets as a result of withdrawing the no surcharge guarantee. "There are fewer holidays on offer for summer 1985 in the market as a whole, and we are confident that our management strength and diversified product range will enable us to continue to increase our share of the market."

Significant benefits are expected within the travel division from brand segmentation and, in particular, from Club 18-30, Lancaster Holidays and Skyworld. Initial reactions to all the group's tour operating brochures have been "most encouraging." Air Europe has sold its reduced capacity for the summer at increased prices, the chairman states.

In the first half turnover expanded from £139.7m to £176.9m. After tax £5.9m (£4.1m) and minorities £77,000 (nil), the attributable profit balance came to £10.5m (£15.92m) for earnings of 20.3p (30.8p) per share.

Interest and financing charges payable under aircraft finance and lease agreements are spread as evenly as possible over the periods of the agreement. Had aircraft finance costs been charged as incurred, the profit before tax would have been £15.8m (£19.3m), after tax £10.1m (£15.6m) and earnings 19.5p (30.2p) per share.

In a reference to group development, Mr Goodman says the policy is to diversify within the leisure industry. The group has made an offer for Comfort Hotels, but that has since been topped by Ladbroke Group and the Intasun board is reviewing the position. Further developments in the diversification programme will be announced as they take place.

See Lex

Lower crop and higher levies hit Brit. Sugar

British Sugar, a subsidiary of S & W Berisford, reports a fall in full year profits from £64.2m to £61.7m, reflecting in particular, the company says, a lower crop and higher EEC levies. The company also points to lower EEC margin increases which were below the UK's rate of inflation.

The directors say the 1983/84 sugar production, together with the carry forward from the previous year, again combined to meet the UK A & B quotas. The UK is consistently producing sugar in excess of the present level of quota, they add.

The factory investment programme is continuing at the same rate in order to safeguard the future of British Sugar through modernisation, cost efficiency, production diversification, and quality assurance, the directors state.

Tax charge for the 53 weeks (52 weeks) to end-September 1984 was £8.3m (£13.1m), leaving the net balance at £53.4m (£51.1m). Earnings per share are shown as 89p (85.2p). The dividend is 53p (54p) gross.

Net asset value per share at the end of the year stood at 657p, a rise of 47p.

Euroferries raising £20m by preference share issue

BY MARTIN DICKSON

Felixstowe Dock and Railway, a subsidiary of European Ferries, yesterday raised £20m of development capital in the City by the unusual vehicle of an issue of participating preference shares.

The funds, together with £30m of long-term loans from banks, will be used in the development of an advanced container terminal at Felixstowe, which is already Britain's largest container port.

White preference shares give investors a fixed rate of return, participating ones gear their income to a company's profits performance.

The market for preference shares generally has been hit by tax changes in the 1984 Finance Act, while participating issues have never been common.

However, Mr Rodger Braidwood, financial director of European Ferries, said that this route was an attractive, low risk way of enlarging Felixstowe Docks' capital base without giving away too much in equity participation.

The Felixstowe issue, placed yesterday by brokers Fielding Newson-Smith, is for 200,000 preference units at £101 each. The units comprise 100 6.5 per cent cumulative redeemable preference shares 200-2010 of £1 each (50 per cent payable now and 50 per cent next June) and one cumulative redeemable participating preference share 200-2010 of £1, payable immediately.

The shares will be entitled to receive 5 per cent of Felixstowe's pre-tax profits in each of the years 1985 to 1990. After that, the amount will be fixed on the average of the best two out of three years from 1988 to 1990.

Felixstowe's profits this year are forecast to be not less than £8.2m. Assuming this is achieved, the preference units would have given a gross yield of 12.1 per cent if they had been in issue for the whole of 1984.

Mr Braidwood said it was felt Felixstowe needed an equity injection into its balance sheet because in looking for business worldwide it needed accounts that would stand up in their own right, rather than relying on European Ferries. Yesterday's issue meant an immediate doubling of its capital base.

The issue, taken up by some 40 institutions, was described by one fund manager as an unusual but well constructed package, which appeared to give a quite good return. It was a particular answer to a particular funding problem and there would not be a vast market for issues of this type.

United Spring sees prospect of dividend

The recovery at United Spring and Steel Group has continued, and for the year ended September 30 1984 the group has produced a pre-tax profit of £275,000—following the £53,000 of the first half—compared with a loss of £280,000 in the previous year.

There is not yet a return to the dividend list, but the chairman looks to the "real possibility" of this happening at the current half-year stage. The company has made an "encouraging start" to 1984-85.

Turnover showed little change at £25.87m (£25.21m) and the operating profit shot up from £65,000 to £634,000, split as to: steel stockholding and processing £196,000 (£89,000); spring manufacturing £438,000 (£161,000); less for last year the loss of £185,000 on the discontinued engineering business.

After a tax credit £25,000 (charge £10,000) the net profit is £300,000 (loss £290,000), equal to 1.21p (2.14p loss) per share.

Initial over £14m at midway

Initial, the laundry and cleaning group, pushed first-half taxable profits up from £13.56m to £14.37m and has raised the interim dividend to 4.75p against 4.25p.

The result was achieved on turnover ahead by £20.39m to £128.87m and was struck after a near £2m increase to £2.61m in net interest payable.

Due to the miners' strike the contract with the NCB contributed less than would have otherwise been expected, but set against this were benefits from acquisitions made last year. Also, the reorganisation of Consolidated Laundries in the U.S. is showing "definite improvement," the directors state.

The tax charge for the six months to end-September 1984 rose from £4.74m to £5.86m, reflecting changes in methods of claiming capital allowances.

Stated earnings per share fell slightly from 15.9p to 15p. Attributable profits came out at £8.61m (£8.59m), after minorities of £334,000 (£227,000) and an extraordinary debit this time of £563,000.

The directors say that the Australian contract cleaning subsidiary, General Contract Cleaners, has been sold. On the acquisition front, Initial in August purchased Linmij NV, an Amsterdam-based textile rental company. In Spain, the acquisition of Toalleros Automaticos has been completed, and in the UK agreement has been reached to expand the activities of Arrow Security Systems.

Successful discussions have taken place for the acquisition of the minority shareholdings in Schoonmaakbedrijf M. W. Groh B.V. in the Netherlands, and of those held in the company's subsidiaries in Singapore. The group's related company, S. A. Decroix, has completed negotiations to acquire the outstanding minority holding in its subsidiary company, Tissus Mannel Canovas S.A. in France.

• comment

Initial's lacklustre 6 per cent increase in taxable profits is partly the product of a management marking time while the Monopolies Commission decides the fate of the BET bid. To be fair, UK workwear rentals have taken a knocking from the miners' strike and the continuing recession in the heavy manufacturing industry. Towel rentals are slipping, although that has to some extent been offset by a healthy growth in warm air dryer demand. Consolidated Laundries has at last come good, and privatisation cleaning contracts are plentiful, even if margins are wafer thin. Around £31m pre-tax looks in reach for the year, which leaves the shares, up 2p to 502p, on a prospective multiple of 15½ after a 40 per cent tax charge—a premium which indicates that the market still has high hopes for a BET bid. Given that the Commission is likely to veto a straightforward takeover, a rational route open to BET would be to dispose of its much smaller Advance subsidiary and then proceed as planned. BETs recent tidying up operation at Advance certainly clears a few obstacles to that option.

Pineapple up at £209,000 despite delays

DESPITE DELAYS in the opening of its new dance centres, Pineapple Dance Studios has achieved taxable profits of £209,000 against £156,000 for the year ended July 31, 1984.

Turnover rose from £1.41m to £1.73m, and the directors say that current trading is continuing to perform satisfactorily. The single final dividend is being held at 1.5p per share on capital increased by rights.

This USM-quoted company was able to turn the "potentially difficult position" caused by the opening delays to advantage by using funds committed to the expansion, but not paid. The achievement of about £100,000 profit in this manner largely compensated for the loss of income and overhead expenses, the directors say.

The company is now beginning to see the advantages of the new dance centres, and indications are that they will fulfil expectation.

The second half is traditionally the better period, and the directors are expecting to see a benefit from the new studios and from the entry into franchising licensing and mail order businesses.

Net earnings per 10p share were down at 3.78p against 8.85p.

The pre-tax figure was struck after a £6,000 loss (nil) from related companies, but included net interest received and similar income of £115,000 (£1,000).

Tax took £93,000 (credit of £4,000) and there was an extraordinary debit of £100,000 (nil) being deferred tax.

Norton Opax in takeover talks

BY CHARLES BATCHELOR

Norton Opax, the lottery tickets printer, yesterday began takeover talks with another specialist printing company, Sir Joseph Causton & Sons, which could lead to a bid worth around £17m in shares.

Norton, which failed 18 months ago in a bid attempt for John Waddington, the games and packaging group, launched its campaign for Causton after buying a 21.6 per cent stake in the company previously held by Fleet Holdings.

The companies held a first round of talks yesterday and agreed to meet again. Samuel Montagu, the merchant bank which is advising Norton, said it was pleased that Causton had not rejected its approach out of hand.

Causton, which is advised by Robert Fleming, yesterday restricted itself to a statement noting the Norton announcement and strongly advised its shareholders to take no action.

Norton's takeover approach came the day after the failure of the £44.2m bid launched by Mr Robert Maxwell's British Printing and Communication Corporation for John Waddington and amid some City speculation Mr Maxwell might now seek an alternative target to Waddington.

Norton paid 95p per share for the 3.65m Fleet shares, which Fleet had held for the past 18 months. Following the announcement of the talks, Causton's share price rose 28p to 102p while Norton rose 3p to 148p.

Causton increased pre-tax profits by 3 per cent to £508,000 on turnover of £10.9m in the six months ended July 1984 following record profits of £1.53m in the preceding year.

Norton Opax has carried out a number of acquisitions recently and earlier this week reported a sharp profit rise to £1m (£388,000) on turnover nearly four times greater at £17.8m.

Knitwear boost for Richards

Improved marketing for all products and the significant contribution from the knitwear yarn division helped Richards in its recovery to a profit of £507,000 for the year ended September 30 1984, against £36,000. Earnings were 2.79p (1.17p) and the final dividend is 0.95p for a total of 1.45p net (0.75p).

At the start of the current year trading was not buoyant, but the company expects to benefit from the considerable market and product development work undertaken during the year.

Touche Remnant restructure

BY STEFAN WAGSTYL

Touche Remnant, the UK fund management group, is restructuring its links with its owners, a consortium of 10 investment trusts, for whom it manages funds.

The trusts are injecting £870,000 new capital into Touche Remnant and they are granting the fund manager greater commercial independence by changing the way they pay for its services. From January 1, the trusts will pay commercial rates for the work, in place of the present non-profit making arrangements.

The Touche Remnant trusts are accepting fee increases of about 35 per cent next year, and a further 24 per cent the year after. In return their stakes in Touche Remnant, which has about £2.4bn funds under management, will become commercial assets, paying dividends and boosting the trusts' own net asset values. City analysts value Touche Remnant at anything up to £30m.

The changes would also pave the way to an eventual stock market flotation for Touche Remnant, though there are no immediate plans for this.

In the past few months it has announced a joint venture with the Bank of Tokyo and its entry into the U.S. fund management market with agreements with John Hancock Insurance and National Bank of Detroit.

The costs of the changes will hit some of the consortium investment trusts harder than others, reflecting different degrees of specialisation which were introduced by Touche Remnant in 1982.

Until now, all have paid fees in proportion to their stakes in the fund manager, now charges will reflect individual management costs. So TR Australia for example will pay proportionately higher fees because of the costs of running a portfolio in a distant country: TR Industrial and General, the largest member trust, will pay proportionately less because it enjoys economies of scale.

John Booth downturn to £62,000

While turnover of structural and welding engineer, John Booth & Sons (Bolton) was static at £5.42m, against £5.44m, pre-tax profits fell from £110,000 to £62,000 for the six months to September 30 1984.

The directors say the encouraging signs of some meaningful increase in the demand for structural steelwork, seen earlier this year, have not produced the better trading conditions that were anticipated.

It is unlikely that last year's improving trend will continue in the short term, they warn. For the 12 months to March, 1984, pre-tax profits picked up from £87,833 to £206,588.

Offshore and overseas work continues to provide worthwhile profitable opportunities, the directors state, and every effort is being made to continue expansion of activities in this field.

Pifco withdraws from £10m deal with BSR

BY MARTIN DICKSON

Pifco Holdings, the manufacturer of electrical housewares appliances, has withdrawn from negotiations to buy Swan Housewares from BSR International.

Pifco made an offer in October to buy Swan, which makes small electrical appliances and cookware, for about £10m.

However, Pifco said yesterday that investigations carried out since then by it and its professional advisers "have not proved satisfactory" to Pifco.

"In the light of the information now available, Pifco believes that it would not be in the long term best interests of its shareholders and employees if it were to proceed with the proposed acquisition," the statement added. The company declined to elaborate.

BSR, the Hong Kong-based audio and electronics group chaired by Mr Bill Wyllie, has been seeking a buyer for Swan because of the company's desire to focus on the electronics industry.

BSR said yesterday that it was "wholly unaware of any negative factors affecting Swan" since the October agreement.

BSR said it working on "positive alternatives" for Swan and in the interim would continue to operate it as an integral part of the group, with due regard to the interests of Swan's customers, suppliers and employees.

Trading problems revealed by Glanfield Lawrence

BY CHARLES BATCHELOR

Glanfield Lawrence, the motor dealer, yesterday disclosed the full extent of the trading difficulties which have led to the Takeover Panel permitting Gregory Securities to reduce the value of its bid.

"The company now only expects to do slightly better than break-even at the pre-tax level for Calendar 1984 because of the impact of the miners' strike and of difficulties in obtaining supplies of cars.

This compares with its forecast made on October 26 of a profit between last year's figure of £114,000 and £250,000. Glanfield also expects to suffer an extraordinary loss of about £225,000 and does not expect to pay an ordinary dividend.

Glanfield attributes the extraordinary loss to an abortive acquisition attempted earlier this year, and the closure of a dealership in Lancaster.

On December 7 the Takeover Panel said Gregory would no longer be obliged to offer 55p for the outstanding 57.6 per cent of Glanfield but could reduce the bid to 49½p, worth £2.62m.

British Syphon clinches £5.45m East Lancs bid

British Syphon Industries yesterday clinched its long-running £5.45m bid for East Lancashire Paper Group. It bought out the 13.5 per cent stake in East Lancs built up by Mr Ian Wasserman's G. M. Firth group.

With the only serious potential rival for the band of East Lancs out of the way and British Syphon's stake increased to 52.8 per cent, it declared its bid unconditional.

British Syphon paid 100p per share for the 737,500 East Lancs shares owned by G. M. Firth which will also qualify for the proposed 3.5p net dividend on these shares.

This purchase took British Syphon's holding to 39 per cent while it also has acceptances from the holders of 13.8 per cent.

Mr Bryan Morrall, British Syphon chairman, said: "We had 39 per cent without Mr Wasserman's shares and I think that with the board's recommendation we could have achieved control anyway. It would have just taken a little longer."

Lancs shares rose to 105p while British Syphon was also 1p firmer at 87p.

BIDS AND DEALS IN BRIEF

Powerline International has agreed to acquire Newsteck Communications. Consideration will be satisfied by 1.41m ordinary in Powerline, which on December 12 1984 had a market value of about £3.4m.

Newsteck is an advertising agency and public relations consultancy which made pre-tax profits of £162,000 in 1983. At that year end net asset value came to £39,000. Directors of Powerline expect Newsteck profits for 1984 to be not less than £300,000.

* * *

Cecil Gee, the menswear retailer, yesterday pulled out of two days of talks which could have led to an agreed bid for the group. Its shares fell to 165p but later rallied to 180p—a fall of 13p on the day.

The three Gee brothers decided to reject the 160p cash and shares offer from "a substantial retailing group" because they wanted to retain their independence.

* * *

Charter Consolidated has sold 7m shares of Minerals and Resources Corporation for an aggregate consideration equivalent to approximately £38m. Of the total, 3.2m shares were sold to Anglo American Corporation of South Africa and associated companies and the balance was sold in the market through S. G. Warburg, Rowe & Pitman Akroyd Limited. The sale reduces Charter's holding from 7.9 per cent to 3.7 per cent.

* * *

The Scottish Heritable Trust offer for Hoskins & Horton has received acceptances in respect of 16,118 H & H ordinary shares (0.59 per cent) and 2,397 preference (11.98 per cent). Prior to the offer, a subsidiary of Scottish Heritable held 782,500 H & H ordinary (28.61 per cent). Both ordinary and preference offers have been further extended until 3 pm on December 27.

* * *

At the EGM of Johnson Group Cleaners a special resolution to amend Johnson's Articles of Association so as to enable holders of Johnson's employees shares to transfer their shares was "proposed and defeated." Employee shareholders voted overwhelmingly against the proposal.

The Johnson employee share scheme, therefore, remains intact.

The requisitioning of the meeting had been arranged by Nottingham Manufacturing which has made offers for Johnson.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Imperial Chemical Industries is to expand in America via its largest acquisition for some 13 years. ICI is paying $750m (around £625m) for Beatric Chemicals which manufactures high technology composite materials and formulated plastics used for aerospace, defence and electronic applications.

Hambro Life Assurance requested a suspension of share dealings on Thursday following receipt of a bid approach. Hambro Life has been a takeover favourite since a proposed merger with Charterhouse J. Rothschild was aborted earlier this year. CJR currently holds just under 25 per cent of Hambo Life, while another 10.2 per cent is controlled by Guardian Royal Exchange.

Comfort Hotels International, which is resisting a £44m bid from Intasun, found itself on the receiving end of another takeover attempt when Ladbroke easily topped the Intasun offer with a £67m share-exchange bid. Both offers are conditional on the withdrawal or lapsing of Comfort's £15m offer for Prince of Wales Hotels. Ladbroke is offering 5 of its own shares for every fourteen Comfort.

Greycoat City Offices has made agreed offers for fellow property concerns Churchbury Estates and its 90 per cent owned subsidiary Law Land. The offer, 12 new Greycoat shares plus 775p nominal of loan stock for every four Churchbury, values the latter at around £59m. For the Law Land shares not held by Churchbury, Greycoat is offering two shares plus 30p for every three Law Land. Both offers have cash or loan stock alternatives. The combined group will have property development and investment portfolio valued in excess of £130m.

Charter Consolidated, the industrial and mining investment group recently beset by problems at its Cape Industries subsidiary and its Johnson Matthey associate, which in turn led to the announcement of poor first-half figures last Wednesday, has disposed of part of its stake in Minerals and Resources Corporation. Charter has sold 4.25m shares to Anglo American Corporation of South Africa and another 3.75m shares through the market via brokers Rowe and Pitman, thereby reducing Charte's holding in Minorco from 7.9 per cent to 3.7 per cent and raising around £38m in the process.

USM-quoted Cecil Gee, the menswear retailer, received an approach from an unnamed party which may lead to a bid of around 160p per share which would value the company at £14m. Burton, J. Hepworth and Great Universal Stores have all been mentioned as possible suitors.

Carlton Communications is funding its latest acquisition through a £13.25m rights issue. It is buying California-based Abekas Video Systems in an agreed deal worth $12.8m (around £10.7m) initially and a further $17.2m over five years dependent on the latter's profit performance.

Boase Massimi Pollitt, the advertising agency, is paying £10m in paper for Marketing Solutions, a privately owned marketing, printing and publishing company.

Prices in pence unless otherwise indicated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Advance Services	128§	128	123	7.21	BET
Anglo-Scot Inv	§¶	157	156	¶¶	Japan Assets
Atlanta Inv	142	135	91	5.70	Grovebell
Bath & Portland	236§ §§	272	225	37.54	Beazer (C. H.)
BPM 'A'	167½*§	164	128	1.12	Yattendon Inv Tst
BPM 'B'	162½*§	157	128	8.76	Yattendon Inv Tst
Bridgewater Ests¶	344§§	322	280	18.58	Peel Holdings
Churchbury Ests	776§§	755	745††	55.93	Greycoat Offices
Comfort Hotels	72§§	88	67	44.95	Intasun Leisure
Comfort Hotels	89	88	71	55.56	Ladbroke
Cullen's Strs Ord	460§§	465	435	4.60	Aromaglade
Cullen's Strs 'A'	345§§	365	330	3.45	Aromaglade
Cullen's Strs Ord	475*	465	365††	4.75	Whatling (IOS)
Cullen's Strs 'A'	375*	365	260††	3.75	Whatling (IOS)
Currys	587§§	577	311	273.4†	Dixons

Prices in pence unless otherwise indicated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
East Lancs Paper	104§	105	60	5.67	British Syphon
Elson & Robbins	78½*§	75	68	7.77	Hartons Group
Glanfield Lawrce	49½‡§	52††	49	3.60	Gregory Secs
Gordon & Gotch	140*	140	122	6.40	Hrld & Wkly Tms
Harrison, T. C.	74*	69	49	16.70	Harrison, T.C. Grp
Hayters	170*§	188	125††	1.95	Tomkins F. H.
Hoskins & Horton	280§	285	188	7.49	Lon & Mid Inds
Hoskins & Horton	285§ §§	285	270	5.31	Scottish Heritable
Johnsn Grp Clnrs	440*	440	362	47.66	Nottingham Mftg
Kent (M. P.)¶	79§§	76	67	33.89	Beazer (C. H.)
Link House	790	757	685	94.80	Utd Newspaper
Moray Firth Malt	366§	345	340	15.97	Scot & Newcastle
Powell Duffryn	385§	420	340	143.84	Hanson Trust
P. of Wales Htls	160	100	115	19.82	Comfort Hotels
Reliance Ind	36½	36	25	2.86	Corah
Romai Tea	£10*§	£10¾	530	1.95	Williamson
Websters Group	140§§	134	90	17.65	Octopus Publshg
Western Brd Mills	324	308	220	17.14	Smith (David S.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on December 14 1984. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Assoc Paper Ind	Sept	3,190	(2,520)	17.2	(12.9)	5.0	(4.2)
AE	Sept	17,300	(400)	—	(—)	4.25	(1.4)
Baldwin, H. J.	Sept	192	(22)	2.5	(0.6)	—	(—)
Baggeridge Brick	Sept	1,600	(837)	23.7	(18.6)	6.25	(5.25)
Baynes, Charles	Sept	558	(230)	—	(—)	2.25	(0.81)
Burns Anderson	Sept	668	(561)	—	(—)	2.42	(2.2)
Canvermoor	Sept	403	(521)	4.9	(12.7)	3.64	(3.64)
Carr's Mill Ind	Sept	854	(890)	16.5	(17.6)	5.5	(5.5)
Cooper, F.	July	453	(424)	5.7	(4.9)	1.77	(1.65)
Dobson Park	Sept	7,060	(8,090)	4.9	(6.2)	5.21	(5.21)
Dubilier	Sept	5,330	(3,220)	11.7	(6.1)	2.4	(2.0)
Greenall Whitley	Sept	28,310	(24,010)	16.3	(12.9)	4.46	(4.03)
Hunslet Hldgs	Sept	69	(742)L	10.5	(—)	8.5	(8.5)
Inn Leisure	Sept	954	(538)	2.1	(2.2)	0.42	(0.42)
Lake & Elliot	Sept	430	(1,280)L	4.3	(—)	—	(—)
Lee, Arthur	Sept	1,530	(571)L	3.2	(—)	0.9	(0.3)
LPA Industries	Sept	779	(725)	—	(—)	2.45	(2.1)
MAM	July	1,830	(1,520)	—	(—)	8.75	(8.75)
McCarthy & Stone	Aug	6,800	(3,656)	—	(—)	2.18	(1.75)
McCorquodale	Sept	8,100	(7,297)	—	(—)	5.4	(5.0)
Mcleod Russel	Sept†	12,020	(4,940)	69.9	(10.0)	11.5	(10.5)
NSS Newsagents	Sept	5,810	(5,570)	10.1	(11.3)	3.3	(3.0)
Plaxtons (GB)	Sept	1,980	(2,920)	10.0	(13.7)	4.5	(4.5)
Reliant Motor	Sept	66	(176)	1.0	(3.9)	—	(—)
RHP	Sept	6,230	(660)	11.1	(1.8)	3.0	(1.25)
Sidlaw Group	Sept	6,380	(6,030)	41.0	(46.1)	20.0	(10.0)
Stakis	Sept	10,160	(6,460)	1.2	(8.6)	3.0	(2.0)
Tate & Lyle	Sept	69,200	(57,190)	54.8	(59.5)	19.0	(16.0)
Tunstall Tele	Sept	3,050	(1,390)	14.4	(6.9)	1.4	(0.28)
Utd Scientific	Sept	12,070	(15,220)	14.3	(17.0)	5.5	(5.0)
Vaux Breweries	Sept	13,030	(12,073)	—	(—)	10.06	(9.08)
Wolv & Dud Brew	Sept	13,520	(12,520)	23.9	(20.8)	7.6	(6.85)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Alphameric	Sept	344	(239)	—	(—)
Alpine Soft Drinks	Sept	102	(203)L	1.21	(1.21)
Arlington Motor	Sept	1,070	(1,030)	2.5	(2.5)
Armitge & Rhodes	Sept	65	(9)L	1.0	(—)
Assoc Brit Eng	Sept	915L	(394)	—	(0.36)
Baker Perkins	Sept	4,890	(1,560)	2.6	(2.4)
Berkeley Grp	Oct	906	(—)	1.2	(—)
Birmingham Mint	Sept	413	(338)	3.5	(3.0)
Braithewaite & Co	Sept	218L	(307)	4.0	(4.0)
Brengreen Hldgs	Oct	1,250	(1,160)	0.7	(0.7)
Bristol Even Post	Sept	1,380	(774)	7.5	(4.0)
Brit & Am Film	Sept	260	(215)	1.51	(1.38)
Brit Bull & Eng	Sept	144	(164)	1.35	(1.25)
Bulmer, H. P.	Oct	7,200	(9,200)	2.24	(2.24)
CH Industrials	Sept	503	(317)	0.45	(0.4)
Charter Cons	Sept	7,677	(22,049)	3.75	(3.75)
Cluff Oil	Sept	348L	(724)L	—	(—)
Cohen, A	June	1,120	(1,014)	3.3	(3.0)
Crown House	Sept	1,470	(1,090)	2.75	(2.5)
Fobel Intl	June	41	(1,210)	0.2	(1.2)
Greene King	Oct	3,680	(3,400)	1.54	(1.43)
Haslemere Est	Sept	2,600	(2,710)	2.09	(2.3)
Helical Bar	July	10L	(165)L	—	(—)
Hicking Pent	Sept	7	(21)	—	(—)
Hogg Robinson	Sept	4,490	(3,460)	3.8	(3.3)
IC Gas	Sept	11,980	(1,070)L	5.25	(4.0)
Ingram, H.	Oct	137	(133)L	1.44	(—)
Jackson Bourne	Oct	229	(168)	2.0	(1.0)
Latham, James	Sept	1,040	(907)	5.0	(4.25)
Longton Ind Hldgs	Sept	560	(161)	1.0	(—)
Meyer Intl	Sept	16,080	(16,920)	1.8	(1.65)
Norcros	Sept	14,100	(13,900)	2.6	(2.3)
Northern Foods	Sept	27,000	(27,900)	4.25	(2.25)
Norton Opax	Sept	1,010	(388)	1.0	(1.0)
Parkfield Group	Oct	111	(68)L	0.8	(—)
Pilkington Bros	Sept	52,200	(30,400)	5.0	(5.0)
Plaxton Intl	Sept	181	(160)	0.93	(—)
RFD Group	Sept	312	(568)	1.02	(0.92)
Shaw Carpets	Oct	33	(722)	1.0	(1.0)
Smith Whitworth	Sept	131L	(27)L	—	(—)
Smith Bros	Oct	1,790	(802)	1.5	(1.0)
Stoddard Hldgs	Sept	26	(164)L	—	(—)
Swan, John	Oct	131	(114)	—	(—)
Thorpac Group	Sept	34	(33)	—	(—)
Triplex	Sept	292	(334)	—	(—)
UKO Intl	Sept	1,250	(1,200)	1.5	(—)
Unigate	Sept	25,900	(23,600)	3.0	(2.75)
Warehouse Group	Sept	154	(104)	—	(—)
West's Grp Intl	Sept	185	(858)	2.5	(2.5)
Whitecroft	Sept	3,760	(2,760)	2.3	(2.0)
Wight Collins	Oct	265	(204)	0.75	(0.62)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share, except where otherwise indicated. † For 18 months. L Loss.

Rights Issue

Birmingham Mint—To raise £1m through a three for ten rights issue of 612,739 new ordinary shares at 175p per share.

Caledonian Offshore—To raise £5.6m through a three for four rights issue at 200p per share.

Carlton Communications—Rights issue to raise £13.25m on a basis of one for six at 485p per share.

Dura Mill—Rights issue to raise £228,000 on basis of one for five at 30p per share.

McCarthy and Stone—To raise £16.7m through a rights issue of 7 per cent convertible unsecured loan stock 1991-2004 on basis of £2 nominal for every five held.

Pilkington Brothers—To raise £104.8m through a rights issue on basis of one for four at 255p per share.

Carr's Milling Industries—To raise £1m through a one for four rights issue at 85p per share.

Scrip Issues

Mcleod Russel—One for three.

Candover Investments—Placing of 1.7m shares at 160p per share for a full listing.

Engelhard Corporation—Listing in London.

Process Systems—Offer for sale of 16m shares at 20p per share.

UK COMPANIES

RESULTS DUE NEXT WEEK

IT HAS not been an easy year for Grand Metropolitan. The group is expected to announce on Thursday o romparatively stately rise in taxable profits from £295.2m to between £330m and £340m for the year to Seplember, within which thare should be some bumpy divisional performance. U.S. tnhacco margins in particular have been hit by price cutting in a crowded generic brands market, while casinos are suffering from growing competition in London's West End. Food profits could drop by as much as 50 per cent as EEC milk nverproduction and supermarkets increasing buying power has cut into margins. Brewing profits should be slightly abead, although heavy spending on revamping managed houses will not have had time to produce a significant return. Intercontinental Hotels' international spread means it will not have benefited fully from the UK hotel boom. The most optimistic forecasters are looking for a rise in the total dividend from 8p to 9p net.

With volume remaining rather flat, Distillers is expected to attribute most of its trading improvement to cost efficiencies, price increases and the strong dollar, when it announces half-year figures to September on Wednesday. There will be a four-month contribution of perhaps £3m or £4m from Somerset, and United Glass should show mueb improved figures and a nat contribution. The chairman's AGM statement that first half profits should comfortably exceed last year's £64.9m pushed some estimates up to £85m plus, but the average is around £82m. Some revision in accounting policies, putting certain redundancy costs below the line, will result in a restatement of last year's figure probably to around £69m.

Scottish and Newcastle Breweries is expected to report that both occupancy and room rates have risen strongly in its Thistle Hotels chain when it announces results for the first six months to October on Monday. Beer sales, on the other hand, have heen hit by the miners' strike in the north-east, while Bass has been vigorously attacking the group's traditional patch in Scotland, where it will be lucky not to have lost market share. Non-hotel profit gains are likely to owe more to cost cutting and loss elimination—such as from the sale of the Gough Brothers off-licences—than to volume gains. The consensus is for a rise in group pre-tax profits from £31.6m to around £36.5m, with perhaps an increase in the interim dividend from 1.73p to 1.9p net.

British Electric Traction's shares have seen a strong run in the last few days, in the wake of spectacular results from another industrial holding company, Hanson Trust. But investors cannot expect the same rate of progress from BET—interim figures for the six months to the end of September due on Thursday should show a steady increase in pre-tax profits from last year's £31.8m to between £36m-£38m. A strong performance in publishing, notably Argus Press, will be the brightest element in a varied picture. Profits from electronics will be down following the sale to Granada of the television rental business, and a strike hit Thames Television. But profits from industrial services should be modestly up, with the help of the contribution from part-owned Initial which announced its results yesterday.

Westland, the UK's only helicopter manufacturer, is suffering from a dearth of orders. A big contract expected from the National Oil and Gas Corporation of India remains tantalisingly unconfirmed, and in the UK, the MoD will not be placing its next major orders until the spring. The results for the year to the end of September, due on Wednesday, are expected to show pre-tax profits down from £26.1m to something in the range of £20m to £25m. The precise figure may be influenced by exceptional factors, notably 700 redundancies announced during the year, and problems with a Californian helicopter operator, Airspur. Westland's peripheral businesses — particularly Normalair-Garrett, making aircraft air-conditioning — are doing well but cannot compensate for the helicopters.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Aspinall Holdings	Thursday	—	—	—
Brunner Investment Trust	Friday	0.85	0.975	0.8
Bush Radio	Tuesday	—	—	—
Charter Trust Agency	Thursday	0.4625	1.5125	0.75
Chemring	Wednesday	3.0	4.6	3.5
Crystalate Holdings	Wednesday	1.28	1.995	1.47
Flexello Castors and Wheels	Wednesday	—	0.7	1.0
Grand Metropolitan	Thursday	3.22917	4.79167	3.7
G.T. Asia (Sterling) Fund	Monday	—	—	—
Jackson, J. & H. B.	Tuesday	0.75	0.95	0.75
Kelsey Industries	Friday	2.6	5.5	2.6
Leech, William	Thursday	1.0	1.5	1.5
Nash Industries	Friday	1.5	2.5	—
Pyke Holdings	Monday	1.5	2.0	2.0
Redfearn National Glass	Monday	—	6.1	—
Speyhawk	Monday	2.0	5.7	2.0
Stainless Metalcraft	Wednesday	—	2.2	2.0
Trident Television	Tuesday	1.5	4.0	1.7
Watson and Philip	Tuesday	1.33	3.0	1.6
Westland	Wednesday	3.0	5.25	3.0
Whessoe	Monday	2.5	3.0	2.5
Widney	Tuesday	—	—	—
Williamson Tea Holdings	Tuesday	—	16.0	—
INTERIM DIVIDENDS				
Baileys of Yorkshire	Thursday	0.5	2.0	
Belhaven Breweries	Monday	—	—	
Beralords Group	Thursday	1.4	1.2	
Bisichi Tin Company	Wednesday	—	0.65	
British Electric Traction	Thursday	2.25	9.75	
Callyns	Monday	2.2	2.3	
Denae Investment Trust	Wednesday	1.75	2.73	
Davis, Godfrey (Holdings)	Monday	1.5	2.5	
Distillers Company	Thursday	4.5	9.15	
Equity & Law Life Assurance Society	Tuesday	5.0	17.5	
F. & C. Alliance Investment	Tuesday	0.6	1.1	
Harris, Philip (Holdings)	Wednesday	2.0	5.25	
Havelock Europa	Monday	—	—	
London and Associated Invest. Trust	Wednesday	—	0.2	
Mansfield Brewery	Wednesday	2.25	5.75	
Meralon, Thompson and Evershed	Wednesday	0.665	1.16	
Mayfair and City Properties	Thursday	—	—	
May and Hassell	Monday	1.2003	2.55064	
MJI Corporation	Thursday	0.6	0.65	
Pelbow Holdings	Thursday	—	1.0	
Plyeu	Wednesday	0.5	1.9	
Read Executive	Tuesday	0.1	0.5	
Rotapoint	Thursday	—	—	
Russell Brothers (Paddington)	Tuesday	—	0.625	
Scottish and Newcastle Breweries	Monday	1.73	3.64	
Stirling Group	Thursday	0.28	0.44	
Stock Conversion and Investment Trust	Monday	2.0	3.5	
Superdrug Stores	Thursday†	—	—	
Sylrona	Wednesday	3.6	5.4	
Tops Estates	Tuesday	—	0.35	
Wellman	Thursday	—	—	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Third quarter

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Continuous Stat ......int	0.45	April 5	0.45	—	1.4
Davenports Brewery ...	5.4	—	5	9	8.4
William Cook ......int	1.1	—	1	—	2.5
Hardy & Hansons ......int	10.4	March 4	9.3	14.0	13.5
Itnidal ......int	4.75	—	4.25	—	14.25
Intersun Leisure ......int	2	Jan 31	1.8	—	4.4
Phoenix Timber ......int	1.5	Feb 8	1.5	—	4
Pineapple Studios‡ ...	—	—	1.5	1.5	1.5
Radio Clyde§ ...	2	—	—	3.25	—
Alexander Russell ......int	0.39	Jan 31	0.39	—	1.11
Tex Abrasives ......int	0.75	Feb 4	0.75	—	3.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

BANK RETURN

	Wednesday December 12, 1984	Increase (+) or Decrease (–) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	
Public Deposits	89,656,159	+ 1,917,452
Bankers Deposits	797,032,470	+ 82,094,087
Reserve and other Accounts	1,693,975,015	– 5,973,288
	2,595,216,465	– 78,305,347
Assets		
Government Securities	452,761,961	+ 66,880,000
Advance & other Accounts	894,480,704	+ 10,381,369
Premises Equipment & other Secs.	1,251,147,420	– 153,547,917
Notes	9,715,493	+ 1,977,079
Coin	143,067	– 18,503,347
	2,595,216,465	– 78,305,347
ISSUE DEPARTMENT		
Liabilities		
Notes issued	12,620,000,000	+ 220,000,000
In circulation	12,610,286,507	+ 221,977,079
In Banking Department	9,715,493	– 1,977,079
Assets		
Government Debt	11,015,100	
Other Government Securities	1,876,856,082	– 4,553,461
Other Securities	10,732,127,818	+ 224,553,461
	12,620,000,000	+ 220,000,000

INTERNATIONAL COMPANIES and FINANCE

Storage Technology rescue plan rejected

By Our Financial Staff

A FEDERAL bankruptcy judge in Denver has rejected a $140m loan plan which was intended to rescue Storage Technology, the U.S. computer equipment manufacturer which filed for Chapter 11 of the U.S. Bankruptcy Code in October.

The company bad planned to borrow notes and accounts receivable from its finance subsidiary. In exchange the subsidiary and its creditors, would have been granted favoured status in any fund repayment.

However the court ruled that the terms were too favourable to the finance unit's 18 bank creditors, and too harsh on the parent, but said the company could submit an amended plan.

Mr William Mansfield, Storage's chief executive, had told the court the loan would have given the company enough money to operate well into or through the 1985 first quarter. Without the loan, about 12,300 workers, including 6,300 in Colorado, would be out of work by the third or fourth week in December.

Storage's shares fell a further $¾ to $2¼ in early trading yesterday, down from a 52-week high of $14⅞.

FCA liquidity on the mend

By William Hall in New York

FINANCIAL Corporation of America (FCA), the parent of the biggest U.S. savings and loan association, has taken another step in its return to financial health and confirmed that American Savings, its main subsidiary, is once again meeting daily regulatory liquidity requirements.

American Savings suffered a major run on its deposits earlier this year and as a result went below the required liquidity levels of 5 per cent of its assets. Mr William Popejoy, the new chief executive of FCA and American Savings, said he was "quite pleased with our improving liquidity situation."

The company has continued to repay its emergency borrowings from the Federal Home Loan Bank of San Francisco which it utilised earlier this year. Since the end of last month, it has cut borrowings by another $375m to $3.2bn, which compares with an end-September figure of $4.0bn.

The company has also cut its other borrowings in the form of loan reverse repurchase agreements with Wall Street firms from $7bn to $5.4bn in the two months to end-November.

Over the same period FCA has sold $3bn of Government National Mortgage Association certificates at an unspecified profit. It says that continuing restoration of depositor confidence was reflected in a $1.7bn increase in net deposits in October and November.

In October three quarters of the increase reflected the sale of insured certificates of deposit through a Wall Street syndicate led by Prudential-Bache. However, in November $578.4m of the $733.7m increase resulted from American Savings own deposit generating efforts.

ICI burns midnight oil to win Beatrice deal

BY PAUL TAYLOR IN NEW YORK

MR DAVID NASH, ICI's acquisition manager, took another sip of coffee from his new "snoopy" mug bearing the inscription "this has been a good day" and chuckled. Ten hours earlier he and a team from ICI had sewn up the deal to buy Beatrice Companies' prized chemicals business for $750m in cash.

"Quietly pleased is British for delight," he explains to a group of U.S. reporters gathered together at short notice in ICI's midtown Manhattan offices to hear a description of how ICI beat six other "finalists" for the Beatrice specialty chemicals and composites units.

Dr Brian Smith, ICI's director for the Americas, adds for further emphasis, in a broad northern accent, that he is "dead chuffed" with the acquisition agreement which he says "will add a new dimension" to ICI's U.S. operations. ICI's U.S. sales have already grown six-fold to about $1.5bn since the group's last major U.S. takeover of Atlas Chemical Industries in 1971.

Beatrice, the U.S. Food and consumer products group, put its chemicals business up for sale earlier this year. The move is part of a massive asset divestiture programme designed to reduce the $1.5bn debt is assumed when it acquired Esmark in July. The division is expected this year to have net earnings of about $40m on sales of $480m.

Mr Nash says ICI had been looking at a number of the Beatrice Chemical companies "for some time" before Beatrice published a memorandum of information soliciting bids for the units at the end of September. The memorandum was sent to over 60 companies, one of which was ICI.

"From that they [Beatrice] sought an indication of the sort of price people were prepared to pay and the process they would go through," he says.

Dr Brian Smith: "Dead chuffed" over the deal

ICI put in an offer with a price range and at the end of October become one of six finalists.

At this stage the UK chemicals group set up a New York-based business team of "investigators" to visit the sites, talk to management and find out about commercial and other aspects of Beatrice's chemical operations.

"We deployed a lot of people in a short time," says Mr Rex Palmer, ICI's group senior planner and another member of the acquisition team sent out from ICI's Millbank headquarters in London to negotiate the deal.

The business team looked at Beatrice Chemical's plants in the U.S., Singapore, Mexico, Holland and the UK." It was as a result of that that we got keener on this property," says Mr Nash.

On Friday December 7 Mr Nash and other members of the team flew back to London from New York ahead of an unusual ICI board meeting a week ago called to consider the bid. On Saturday evening the $750m price and the basic outline of a deal were agreed in a telephone conversation between Mr John Harvey-Jones, ICI's chairman, and Mr James Dutt, the Beatrice chairman.

Last Sunday morning Mr Nash and the others returned to the U.S. by Concorde to prepare for meetings in Chicago which would set the final terms of the deal. Those meetings—attended by ICI's negotiating team with their advisors including Smith Barney, the Wall Street investment bank and Davis Polk & Wardwell, the legal firm —dragged on into the early hours of the next four mornings.

Beatrice's negotiators were led by Mr Richard Piggot, the group's chief administrative officer and Mr Richard Vitkus, the group's general counsel.

At 1.30 am on Thursday in Chicago the agreement was signed. ICI believes the deal represented a unique opportunity. "There will be some pretty disappointed companies around this morning," said Dr Smith referring to the unnamed bidders.

Arco in $22m anti-trust payout

ATLANTIC RICHFIELD, the Los Angeles-based oil group, has agreed to pay $22.5m to settle its part of a nine-year-old anti-trust suit charging seven major oil companies with conspiring to underpay the state of California and the city of Long Beach for heavy crude oil pumped from public lands, AP-DJ reports from Los Angeles.

The surprise settlement means Arco has broken ranks with the remaining defendants in the price fixing case—Mobil, Chevron, Texaco, Unocal, Exxon and Shell Oil.

The agreement was disclosed in Federal court before senior judge William P. Gray. Arco said it was settling the case to avoid further legal expense and was not admitting any wrongdoing.

The suit, filed in 1975, accuses the companies of conspiring to pay the city and state roughly $1 per barrel less for heavy crude oil than the value the companies placed on such oil internally and in barter arrangements among themselves.

The plaintiffs said that if all seven companies had settled on Arco's terms total damages would be more than $250m—close to the $300m in actual damages for which all seven companies could be liable.

Arco said its costs to date have amounted to more than $20m.

Mr Kenneth Cory, Controller for the State of California, said the companies had been offered a package settlement of $254m in total damages but all except Arco had rejected the offer.

He warned that if the state of California and the city of Long Beach win at trial the remaining defendants would be liable for triple damages and for the plaintiff's legal fees. No trial date has been set.

Zanussi takeover completed

BY JAMES BUXTON IN ROME

ELECTROLUX, the Swedish industrial group, yesterday became the biggest single producer of domestic appliances in Europe with the formal completion of the deal giving it control of Zanussi, the troubled Italian appliance maker.

At a shareholders' meeting in Pordenone, in north-east Italy, Electrolux took a 49 per cent stake in the capital of Zanussi. The Zanussi family saw its stake go down from about 80 per cent to less than 3 per cent.

A new board was appointed with Sig Gian Maria Rossignolo, chairman, and Sig Carlo Verri, as managing director. Mr Hans Werthen, chairman of Electrolux, becomes vice-chairman of Zanussi.

The assumption of control by Electrolux concludes negotiations which have gone on for about a year.

Despite its good brand image and marketing organisation, financial mismanagement and ill-considered expansion into electronic products had pushed Zanussi into heavy losses.

It took many months to conclude the transaction because of the insistence by Electrolux that Zanussi's bank creditors reschedule the company's extensive debt, and because of the need to overcome political suspicion in Italy of a foreign takeover—despite the fact that there was no plausible Italian contender.

Between them, Zanussi and Electrolux have about a quarter of the European market for domestic appliances or white goods.

Under the agreement, Zanussi's capital was written down from L80bn ($42m) to L4bn, and then raised to L100bn. Of this, Electrolux has taken 49 per cent. The Swedish company will also subscribe to a L100bn issue of convertible bonds which will eventually give it 75 per cent of Zanussi.

The remaining shares have been taken up by the regional government of Friuli (10.54 per cent); by Mediobanca, the Milan merchant bank, Fiat, IMI (the long term finance concern) and Crediop (each with 8.17 per cent); by Efibanca (4.3 per cent); and by the Zanussi family (2.8 per cent).

Swiss engineer expects full profits recovery

BY JOHN WICKS IN ZURICH

FULL profits recovery is forecast by Landis and Gyr, the Swiss electrical engineer, for the year ended September, 1984.

Profits are expected to emerge at SwFr 60m ($23.4m) an increase of 25 per cent over the SwFr 48m of the previous year. Profits totalled SwFr 58.7m back in 1979-80.

Cash-flow improved last year following an 8 per cent improvement in sales to almost SwFr 1.33bn. The value of new orders jumped by 13 per cent to SwFr 1.44bn.

The upturn reflects general economic recovery in the U.S. and certain European markets, as well as moves made by Landis to cut costs.

Sales growth appears to have accelerated during the latter stages of the year. At the half-way mark, sales were just 5 per cent ahead with good business seen in air conditioning.

At the time—last June—Landis said it was confident that its results for the whole of the year would remain satisfactory.

Merrill seeks Tokyo SE seat

MERRILL LYNCH yesterday formally applied for a seat on the Tokyo Stock Exchange—the first time a foreign broking firm has done so, writes Our Financial Staff. Merrill is thought to be only one of several applicants for a vacancy created last September when Yamaichi Securities decided to merge two of its subsidiary broking houses.

Although the Tokyo Stock Exchange amended its rules two years ago to allow foreign membership, no non-Japanese firm has yet been able to join. The U.S. government has sought to put pressure on Japan

Mitsui subsidiaries help lift interim earnings

BY OUR FINANCIAL STAFF

MITSUI, JAPAN'S second largest trading house, has reported a fourfold increase in consolidated net earnings during the six months to September 30, from Y1.07bn to Y4.46bn ($18m), translating into an increase in profits per share from Y1.08 to Y4.53. Sales were up from Y7,764bn to Y8,490bn.

At the pre-tax level, profits of Y2bn compared with a loss of Y2bn in the same period last year. The gains which lifted net profits were due in part to securities sales and lower interest costs, as well as to higher profits on such major commodities as oil, natural gas and steel. In addition, the company said that an improved performance at subsidiaries made a substantial contribution.

All this more than offset a further Y3bn write-off related to Mitsui's joint petrochemical venture with Iranian interests at Bandar Khomeini, though this continues to weigh on the company.

The consolidated results contrast with the 3 per cent drop in parent company net profits to Y3bn reported last month.

For the full year, the company is forecasting consolidated net income of Y9bn on sales of Y17,000bn — a slight increase in each case on the previous financial year.

● Japan's leading computer maker, has reported a 48.4 per cent rise in consolidated net income for the six months to September 30, from Y25.4bn to Y37.7bn. Income from consolidated subsidiaries more than doubled from a year earlier.

Consolidated sales rose 33.4 per cent to Y706bn from Y529bn a year earlier. Earnings per share rose to Y29.14 from Y22.91.

Pre-tax profits jumped 88.4 per cent to Y74bn from Y39bn.

Sales of computers and data-processing equipment rose 31.1 per cent to Y414.5bn, but the sharpest rise came in sales of electronic devices, including semi-conductors, which jumped 62.4 per cent to Y160bn.

Communications equipment sales rose 14.6 per cent to Y59.276bn.

Chicago options extended

CHICAGO BOARD Options Exchange (CBOE) has filed with the Securities and Exchange Commission to trade options of foreign currencies, Reot errep foreign currencies, Reuter reports.

CBOE chairman Mr Walter Auch said there will be "substantial" differences between the proposed CBOE options and those currently traded at the Philadelphia Stock Exchange.

The CBOE's contract will be twice as large as that of Philadelphia options, and will be the first "European" style option, meaning they cannot be exercised until the last trading day, Mr Auch said.

Five currency options are planned in the following unit sizes: 25,000 British pounds; 125,000 D-Marks, 125,000 Swiss francs; 12,500,000 Japanese yen and 100,000 Canadian dollars, the CBOE said.

The contract size and expiration dates coincide with currency futures traded at the International Monetary Market. The options will expire on three, six, nine and twelve-month terms and trade on the March cycle.

Asea takes stake in robot maker

BY DAVID BROWN IN STOCKHOLM

ASEA, the Swedish electro-engineering and electronics group, is negotiating to buy a 51 per cent stake in the robotics division of Trallfa of Norway.

Trallfa Robot is a leading manufacturer of specialised paint-spraying units and has sales of some NKr 100m ($11.2m) in Europe

It also has licence agreements with manufacturers in the U.S. and Japan, which bring its total annual production to about 600 units.

Asea Robotics, with sales of about SKr 800m ($90.5m) is a leader in arc welding, materials handling, machine tending and finishing robots.

WORLD STOCK MARKETS

WALL STREET

Dow Jones slightly up mid-session

WALL STREET stock prices were slightly higher at midsession with Blue Chip issues pushing up the Dow Jones Industrial Average by 7.29 to 1,176.13.

In the overall market, gainers slightly outnumbered losers on volume of 35m shares.

Mr Monte Gordon, analyst for Dreyfus Co said: "The market could be moving on purely technical momentum, with some correction, to perhaps 1,180."

The recent economic news had done nothing but keep investors confused: "They are trapped by the flow of events."

Last month the U.S. producer price index posted its first increase since July. U.S. industrial production increased 0.4 per cent and business inventories increased 0.8 per cent in October. On Thursday it was announced that the nation's money supply declined by $7.1bn which was more than expected, encouraging belief that the Fed might foster lower interest rates, analysts said.

Union Carbide was up $1 at $37. It has said it is confident that victims of the Bhopal accident in India can be compensated without hurting the company's finances.

Phillips Petroleum was off 7 at $52 and ATT was unchanged at $18, both trading on volume of more than 1m shares.

Storage Technology, whose plan to borrow notes and accounts receivable from its subsidiary was denied by the Federal Bankruptcy Court, was off ¼ at $2½.

Crown Zellerbach was off ⅛ at $34½. Sir James Goldsmith has said he wishes to buy a big stake in the firm.

Wackenhut was one of the day's biggest dollar losers, off 2½ to $17½: a bid to take it private was withdrawn.

Closing prices for North America were not available for this edition.

CANADA

The upward trend on Wall Street led Toronto stock prices to edge slightly higher at mid-session.

The Composite index was up 3.6 points at 2,341.0. Losing issues led the winners 239 to 197 on turnover of 4,835,184 shares.

Metals and Minerals fell 0.8 to 1,852. Golds fell 39.7 to 2,939.7 and Oil and Gas fell 40.6 to 3,005.1.

TOKYO

Dealers hoping for a year-end rally after market weakness most of the week saw stock prices rise.

The Nikkei-Dow Jones index rose 79.1 to 11,491.1, rebounding from a 42.3 point drop on Thursday. Winning issues outnumbered losers by 381 to 343, with 186 issues unchanged.

Trading was moderate. First-section turnover totalled about 350m shares, up from about 330m on Thursday.

The index gained 53.08 after the first hour, then stabilised for the rest of the morning and early into the afternoon.

The index has shed 47.78 points since it closed at 11,466.93 last Friday.

Institutional and overseas investors were buyers in the mornings, with brokerages taking over in the afternoon.

Blue-chip Light Electricals, Precision Instruments, Motors, Films, Heavy Electricals, Drugs and Biotechnology-related issues, Basic Materials and Trading Houses rose. Non-Ferrous Metals, Constructions, recent special-situation favourites and most Bearings retreated.

Electric-power concerns slipped back from sharp gains on Thursday. Banks were mixed, Brokerages off and Insurances mostly higher.

Kuraray rose Y7 to Y689 after the exchange relaxed its margin-buying rules, bringing it in line with the norm.

Among Drugs and Biotechnology issues, Mochida was Y9,350, up Y500, Dainippon Pharmaceutical rose Y360 to Y4,880; Yamanouchi was Y1,870, up Y40, Kaken Y3,260, up Y30, Daiichi Seiyaku Y1,570, up Y10; Kyowa Hakko Y835, up Y10; and Toyojozo Y990, up Y118.

Casio rose Y80 to Y1,810 on hopes for commercial production of a flat wall-hanging television. In other Blue Chips, TDK was Y5,050, up 100; Matsushita Electric Industrial Y1,480, up Y100; Fujitsu Y1,380, up Y20; Oki Electric Y739, up Y14; Toshiba Y430, up Y9; Sony Y3,610, up Y10; Sharp Y1,070, up Y40; Pioneer Y2,730, up Y60; and JVC Y1,940, up Y50.

Mitsubishi Metal rose Y1 to Y672. It will invest in a joint venture between Dow Corning of the U.S. and a Shin-Etsu Chemical Unit.

Honda rose Y40 to Y1,220. It is recalling 85,477 cars and is studying whether safety regulations abroad require it to recall another 240,000 defective Accords exported to the U.S., Canada and Europe.

HONG KONG

Prices closed sharply higher with investors encouraged by the announcement of a major property investment plan by Hutchison Whampoa.

Property stocks posted strong gains but the broader market also participated in the advance. Brokers said overseas investors showed strong interest in the market.

The Hang Seng index finished 13.60 up at 1,142.09 as turnover rose to HK$264.56m from HK$143.15m the day before.

Hutchison said it would spend HK$4bn over the next six years to convert a former dockyard into residential housing.

Brokers said the market had anticipated a substantial investment by the company but the project was seen as another sign of confidence in the colony's economy.

Both institutions and small investors were said to have been behind the day's buying surge.

Cheung Kong rose 10 cents to HK$9.25, HK Land 10 to HK$3.75, HK Wharf 7.5 to HK$4.80 and Swire Pacific "A" 30 to HK$20.80.

Hang Seng Bank rose 50 to HK$41.25, HK Bank 10 to HK$7.55, China Light 30 to HK$11.90 and HK Electric 10 to HK$6.45.

SINGAPORE

The market closed on a slightly mixed note after some covering interest alternated with stop-loss selling in quiet trading.

The positive stimulus of a recent move by Bank Negara to ease conditions on share financing was neutralised by lingering concern over the effect of Chop Hoo Thye, a Singaporean trading concern which closed with about S$100m of bank debts.

Speculative issues, particularly Malaysia-incorporated, captured most of the market's limited attention. Blue Chips were largely ignored.

The Straits Times index edged down 0.37 on the day to close at 804.68 and the All-Shares slipped 0.51 to 290.82. Falling issues outnumbered rises by about seven to five. Turnover was 7.3m shares, up from 6.1m on Thursday.

AUSTRALIA

Markets closed slightly firmer on bargain-hunting among industrials issues. The All Ordinaries index was up 2.3 at 718.7, the All Industrials up 5.1 at 1,068.4 and All Resources up 0.5 at 450.1.

National turnover was 28.99m shares worth A$37.72m, with rises and falls about even.

Brokers said the firm tone was attributable partly to a technical correction to recent losses in the Industrials.

GERMANY

Share prices were mostly lower although some Blue Chips managed to score modest gains in continued lacklustre trading.

The softer tendency was largely due to a lack of buyers, with foreign investors particularly staying on the sidelines ahead of the year end. The Commerzbank index of 60 leading shares set at midsession fell 6.9 to 1,077.6.

Insurer Allianz fell DM 25 to close at DM 965 due to a reassessment of the share after news on Monday of a one-for-five rights issue and company reorganisation.

In Banks, Deutsche gained 0.30 to close at DM 378.80, but Dresdner was 0.50 down at DM 190. Commerzbank shed 1 to end at DM 167.20, Bayernhypo fell 1 to DM 318 and Bayerverein was 0.50 down at DM 325.50.

NEW YORK

CANADA

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

AUSTRALIA (continued)

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK — DOW JONES

	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 7	1984 High	1984 Low	Since Compiln High	Since Compiln Low
♦Industri'ls	1168.84	1175.15	1178.55	1172.26	1163.21	1286.64 (6/1)	1086.57 (24/7)	1287.20 (23/11/80)	41.22 (2/7/32)
H'me Bnds	72.69	72.25	72.16	72.01	72.12	72.86 (26/11)	64.81 (25/5)	—	—
Transport.	529.01	536.78	526.24	525.58	522.7	612.63 (9/1)	444.03 (25/7)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	146.34	144.80	144.54	144.54	144.66	146.39 (6/11)	122.25 (15/6)	163.72 (20/4/69)	10.6 (28/4/42)
Trading Vol 000's	80,850	78,710	80,240	81,140	81,000	—	—	—	—

♦Day's High 1183.52 (1183.97) low 1162.65 (1170.38)

	Dec. 7	Nov. 30	Nov. 23	Year ago (approx)
Industrial div. yield %	6.04	4.92	4.79	4.47

STANDARD AND POORS

	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 7	1984 High	1984 Low	Since Comp'tn High	Since Comp'tn Low
Indust'ls	181.85	181.68	182.31	182.05	181.43	191.48 (6/11)	167.74 (24/7)	194.84 (10/10/83)	3.52 (30/6/32)
Comp's'te	162.92	162.63	163.67	162.83	162.26	170.41 (6/11)	147.82 (24/7)	172.15 (10/10/83)	4.40 (1/6/32)

	Nov. 28	Nov. 14	Nov. 7	Year ago (approx)
Industrial div. yield	4.12	4.07	3.95	3.72
Industrial P/E ratio	10.40	10.69	10.88	14.43
Long Gov. Bond yield	11.37	11.71	11.57	11.49

N.Y.S.E. ALL COMMON

Dec. 13	Dec. 12	Dec. 11	Dec. 10	1984 High	1984 Low
95.42	93.79	94.00	93.81	98.12 (6/11)	85.13 (24/7)

Rises and Falls

	Dec. 13	Dec. 12	Dec. 11
Issues Traded	2,001	2,006	2,003
Rises	674	654	845
Falls	800	804	664
Unchanged	527	548	494
New Highs	18	17	27
New Lows	47	39	42

TORONTO

	Dec. 13	Dec. 12	Dec. 11	Dec. 10	1984 High	1984 Low
Metals & Minerals	1852.8	1863.3	1873.6	1856.6	2524.6 (12/1)	1641.2 (26/7)
Composite	2337.4	2341.7	2349.5	2347.1	2585.7 (6/11)	2079.7 (24/7)
MONTREAL Portfolio	116.46	116.49	116.83	116.58	126.83 (10/1)	100.36 (24/7)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
AT & T	1,072,300	18	−⅛	S. Dean Cas	1,082,000	22⅞	−⅛
Phillips Petrlm	1,626,800	52⅞	+1⅜	Crown-Zellerb	921,400	34	+5⅛
Bell Telecom	1,164,300	18⅞	+⅛	AMR	823,600	34½	—
IBM	1,147,500	117⅞	−1	Exxon	803,400	43½	−⅛
Union Carbide	1,105,100	37	+1⅞	Xerox	773,000	38⅛	−½

	Dec. 14	Dec. 13	Dec. 12	Dec. 11	1984 High	1984 Low
AUSTRALIA						
All Ord. (1/1/80)	716.7	716.4	721.3	723.7	747.9 (3/1)	546.3 (10/6)
Metals & Mnls. (1/1/80)	409.1	408	413.7	417.4	567.4 (5/1)	404.9 (24/7)
AUSTRIA						
Credit Aktien (2/1/62)	56.63	56.64	56.64	56.78	58.38 (6/12)	53.20 (15/8)
BELGIUM						
Belgian SE (31/12/63)	157.71	156.22	153.51	156.42	165.00 (25/10)	125.28 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	167.20	166.98	166.47	167.41	225.21 (20/1)	161.76 (17/10)
FRANCE						
CAC General (31/12/82)	180.7	180.6	180.9	181.0	165.0 (26/10)	135.6 (3/1)
Ind Tendance (30/12/83)	120.7	120.2	120.0	120.1	121.7 (26/11)	95.4 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	372.29	364.16	376.10	375.79	377.44 (4/12)	317.17 (25/7)
Commerzbank (1/12/53)	1077.6	1004.5	1087.1	1088.0	1102.7 (4/12)	917.7 (25/7)
HONG KONG						
Hang Seng Bank (31/7/64)	1142.09	1120.49	1117.25	1118.38	1170.35 (19/3)	746.02 (13/7)
ITALY						
Banca Comm Ital. (1972)	216.93	214.73	215.48	215.84	229.57 (1/2)	192.06 (2/1)
JAPAN**						
Nikkei-Dow (16/5/49)	11416.1	11340	11362.3	11250.8	11577.4 (4/12)	9703.35 (23/7)
Tokyo SE New (4/1/68)	882.60	879.63	879.05	859.21	884.93 (5/12)	750.45 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	179.1	170.5	170.4	170.3	182.1 (22/10)	146.8 (25/7)
ANP-CBS Indust (1970)	142.7	142.5	141.5	141.0	147.2 (1/2)	118.7 (13/6)
NORWAY						
Oslo SE (4/1/83)	263.98	266.05	268.16	265.72	296.70 (9/6)	221.67 (4/1)
SINGAPORE						
Straits Times (1966)	804.68	805.05	811.60	817.56	1071.91 (6/2)	786.26 (21/11)
SOUTH AFRICA						
Gold (1958)	(u)	969.9	931.6	937.3	1093.6 (14/11)	739.1 (24/1)
Industrial (1958)	(u)	943.6	949.1	952.6	1106.5 (26/3)	853.5 (19/9)
SPAIN						
Madrid SE (30/12/83)	150.66	108.18	157.82	157.58	154.51 (6/10)	102.02 (3/1)
SWEDEN						
Jacobson & P. (1/1/58)	1042.30	1350.86	1363.16	1374.81	1594.5 (2/2)	1302.98 (23/11)
SWITZERLAND						
SwissBank Cpn. (31/12/58)	381.8	382.9	383.3	383.4	388.5 (3/1)	354.5 (25/7)
WORLD						
Capital Intl. (1/1/70)	—	182.5	183.2	183.4	190.6 (5/5)	183.4 (6/12)

**Saturday December 2: Japan Nikkei-Dow (c). TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500, NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. (u) Unavailable.

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weaker

The dollar eased in currency markets yesterday in relatively quiet trading. Early corporate demand had pushed the dollar firmer but it fell back on signs of open market intervention by the Bundesbank. It recovered soon afterwards however, being fixed at DM 3.1100 in Frankfurt and touching a high of DM 3.1105. However the lack of volume allowed the dollar to fall back with equal ease and it finished at DM 3.0890 down from DM 3.1040 on Thursday.

Elsewhere it slipped to SwFr 2.5425 from SwFr 2.5610 and FFr 9.4725 from FFr 9.5150. It was slightly firmer however against the yen at Y247.75 from Y247.50. On Bank of England figures its index was 143.3 from 143.1.

The weaker trend later in the day possibly reflected revived speculation over a further reduction in the U.S. discount rate and this acted to offset a rise in U.S. industrial production announced yesterday and higher retail sales released on Thursday. The softer trend was also accelerated by a sharp decline in U.S. M1 money supply.

Sterling recovered from earlier losses to finish up on the day although this was not fully reflected in the Bank of England's closing index which still showed a fall to 74.2 from 74.3 on Thursday. However, the pound rose against the dollar to finish at $1.1925-1.1935, a rise of 30 points. It was also firmer against the D-mark at DM 3.7075 from DM 3.6950 and SwFr 3.0575 compared with SwFr 3.0475. Against the yen it rose to Y296.25 from Y294.50 and FFr 11.3825 from FFr 11.3200.

£ in New York

	December 14	Prev. close
£ Spot	$1.1880-1.1890	$1.1900-1.1910
1 month	0.07-0.04 pm	0.08-0.06 pm
3 months	0.14-0.11 pm	0.18-0.15 pm
12 months	0.30-0.40 dis	0.20-0.28 dis

Forward premiums and discounts apply to the U.S. dollar.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Dec 14	Previous
8.30 am	74.3	74.0
9.00 am	74.2	74.4
10.00 am	74.2	74.4
11.00 am	74.3	74.4
Noon	74.1	74.3
1.00 pm	74.2	74.4
2.00 pm	74.2	74.4
3.00 pm	74.3	74.3
4.00 pm	74.2	74.3

POUND SPOT—FORWARD AGAINST POUND

OTHER CURRENCIES

Dec. 14	£	$		£ Note Rates
Argentina Peso	188.72-189.03	158.45-158.58	Austria	25.75-26.05
Australia Dollar	1.4930-1.4950	1.1965-1.1860	Belgium	74.15-74.95
Brazil Cruzeiro	3,564.66-3,585.54	2,933-3,008	Denmark	13.16-13.30
Finland Markka	7.6662-7.6805	6.4490-6.4510	France	11.27-11.39

DOLLAR SPOT—FORWARD AGAINST DOLLAR

EXCHANGE CROSS RATES

MONEY MARKETS

Little change

UK interest rates were little changed on balance yesterday with shorter dates easing slightly and longer term money slightly more expensive. Short-term rates were influenced by the easy credit conditions prevailing in the overnight market while long-term rates reflected a slight unease over the recent performance of sterling. However, trading levels tended to reflect the proximity of Christmas and the New Year and there was little in the way of fresh factors to influence the market.

Three-month interbank money was quoted at 9⅝-9½ per cent, compared with 9½-8¾ per cent, while three-month eligible bank bills were bid at 9⅛ per cent, compared with 9⅛ per cent. Weekend interbank money opened at 9-9¼ per cent and rose to 9½ per cent before slipping to 8 per cent. Later balances commanded up to 9½ per cent but rates fell away in the afternoon to around 8 per cent.

UK clearing banks' base lending rate 9½-9¾ per cent since November 23.

The Bank of England forecast a shortage of around £200m initially but this was later revised to £450m and then to £500m. Total assistance came to £523m. Factors affecting the market included maturing assistance and a take up of Treasury bills together draining £234m and the unwinding of previous sale and repurchase agreements a further £117m. There was also a rise in the note circulation of £200m and banks brought forward balances £5m below target. These were partly offset by Exchequer transactions which added £465m.

The Bank gave assistance in the morning of £270m, comprising purchases of £18m of eligible bank bills in band 2 (15-33 days) at 9⅜ per cent and £3m in band 3 (34-63 days) at 9⅛ per cent. In band 4 (64-91 days) it bought £249m of eligible bank bills at 9⅛ per cent. Further assistance in the afternoon totalled £213m and comprised purchases of £7m of Treasury bills in band 3 at 9⅛ per cent and in band 4 £20m of Treasury bills and £186m of eligible bank bills all at 9⅛ per cent. It also provided late assistance of £40m.

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

...months 10 per cent; nine-12 months 10 per cent. Under £100,000 9½ per cent from November. Deposits held under Series 5 10 per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. December 14)
3 months U.S. dollars

bid 9	offer 9 1/8

6 months U.S. dollars

bid 9 1/2	offer 9 5/8

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Asian $ (closing rates in Singapore): Short-term 8⅞-8⅛ per cent; seven days 8⅝-8¾ per cent; one month 8⅞-9 per cent; three months 9-9⅛ per cent... Long-term Eurodollars: two years 11⅛-11⅜ per cent; three years 11½-11⅜ per cent; four years 11⅝-11⅞... per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

† Unquoted. (g) Madagascar. § Ghana cocoa. (*) Jan-Feb. (z) Nov-Dec. (w) Dec-Jan. (u) Jan. (y) March.

REVIEW OF THE WEEK

Nickel futures surge to record level

BY OUR COMMODITIES STAFF

IT WAS a week of mixed fortunes on the metal markets. Nickel futures advanced to record levels on the London Metal Exchange reflecting a shortage of immediately available supplies.

Yesterday the cash price gained £32.5 to £4,205 a tonne, £102.5 up on the week. The three months price in contrast gained only £63.5 to £4,167.5. LME warehouse stocks of nickel have already fallen to a 22-month low of 10,590 tonnes and further heavy shipments out are forecast this week.

available (cash) supplies also helped buoy up the lead, zinc and copper markets.

On Monday it was reported that the eight-month old strike by St Joe workers on the Missouri lead belt had been settled. This followed the end of the Asarco stoppage earlier and it is generally expected that Amax workers will go back as well to bring a complete return to working Missouri. Lead values on the LME, however, were sustained by a decline in warehouse stocks that pushed the cash price to a greater premium over the three months quotation.

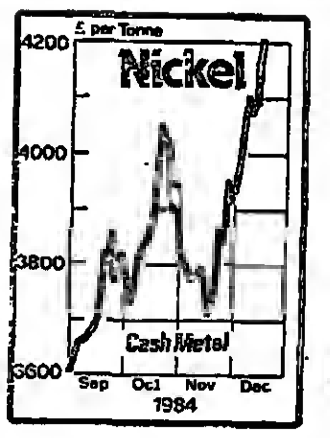
Copper values held up in spite of the settlement of the Southern Peru strike. A further decline in warehouse stocks put pressure on nearby supplies and the gap between the cash and three months prices narrowed.

In contrast gold prices fell to the lowest level for 2½ years, depressed both free market platinum and silver.

World sugar values moved sharply lower this week though dealers could offer no fundamental explanation for the move, which they attributed to "tired long liquidation." The decline was accelerated by the breaching of chart resistance points, they added.

The London daily raws price slipped to $103 a tonne at one stage—a 14-year low—before steadying a little to end $8 down on balance at $104.50 a tonne.

The International Coffee Organisation (ICO) yesterday announced a 1m bags increase to 60m bags (60 kilos each) in export quotas for member countries. But the move, triggered automatically by the decline of the 15-day average indicator price below 135 cents a pound, had been generally expected and had little impact on prices.



On the London futures market coffee prices gradually recovered from an early fall, which was prompted by rumours that roasters were being offered attractive discounts on Brazilian 1985 crop supplies. But after falling back again yesterday the March quotation ended £18 down at £2,229 a tonne.

OIL

An uncertain day with Brent trade mostly around the lows of Thursday. Nymex opened a trifle down and by 1 pm EST was 14c below Thursday's close. Petroleum product prices remained stable. The Gasoil market was indecisive and nervous. The IPE again ignored the firmish Nymex opening and weakened all day. Heavy Fuel was relaxed and stable as supply and demand reached a balanced position in North West Europe. Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arab Light	27.45-27.50	—
Arab Heavy	26.00-26.10	+0.025
Dubai	26.45-26.55	+0.025
Brent Blend	26.95-27.10	0.026
W.T.I. (1 pm est)	26.45-26.60*	—0.125
Forcados (Nigeria)	27.20-27.50	—0.10
Urals	27.20-27.55	—0.10
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	240-243	—1
Gas Oil	219-221	—5
Heavy fuel oil	165-185	

* Jan.

Petroleum Argus Estimates

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Dec	220.75	—3.75	222.25-20.75
Jan	224.50	—	225.75-20.50
Feb	223.75	—0.50	225.50-23.75
March	221.25	—0.75	222.25-21.25
April	219.25	—1.00	219.25-18.25
May	219.00	—1.00	219.00-16.00

Turnover: 1,533 (2,279) lots of 100 tonnes.

GOLD

Gold fell to a new two and a half year low in the London bullion market yesterday but showed some signs of recovery during the afternoon. It closed at $322¼-322¾, a fall of $2¾ an ounce from Thursday's close but up from a low for the day of $320-320½. It opened at $324½-325 which proved to be the best level of the day. Dealers reported a noticeable pick up in trading volume especially at the day's two fixings with the dollar's weaker trend in the afternoon helping to revive sentiment.

GOLD BULLION (fine ounce) Dec. 14

Close	$322¼-322¾	(£270½-271)
Opening	$324½-325	(£272-272½)
M'n'g fix.	$321.75	(£270.038)
Aft'n'n fix.	$322.60	(£270.554)

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Dec			
Feb	325.72-26.00	—2.40	325.40-24.70
April	329.80-30.50		

GOLD AND PLATINUM COINS

Kr'g'r'nd.	$332½-333¼	(£278-278½)
½ Krug.	$171½-172	(£143½-143¾)
¼ Krug.	$87½-88¼	(£73¼-73¾)
1/10 Krug.	$35½-36¼	(£29¾-30¼)
Mapleleaf	$332½-333	(£277¾-278½)
New Sov.	$76-76½	(£63½-64)
½ New Sov.	$45½-46¼	(£38-38¾)
Old Sov.	$76½-78	(£64-65)

BASE METALS

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1,100.5, 01, three months £1,119, 18.5, 19, 17, 16, 15, 14, 14.5. Standard: Cathodes: Cash £1,110. Kerb: Three months £1,114, 14.5. Afternoon: Higher Grade: Three months £1,112, 11, 11.5, 12, 15, 16, 17, 16, 17.5, 18, 19.5. Kerb: Higher Grade: Three months £1,119, 20, 21, 22, 23, 24, 25...

...ing: Standard: Three months £665, 66. Kerb: Three months £667, 67.5. Afternoon: Three months £667, 69. Kerb: Three months £670, 71, 72, 73, 74, 73, 72, 71. Turnover: 11,770 tonnes. U.S. Prime Western: 45.00-45.75 cents per pound.

ALUMINIUM

COPPER

TIN

LEAD

ZINC

NICKEL

SILVER

COCOA

COFFEE

GRAINS

SUGAR

SOYABEAN MEAL

WOOL FUTURES

INDICES

FINANCIAL TIMES

Dec. 13	Dec. 12	M'th ago	Year ago
296.67	289.17	295.13	993.9

(Base: July 1 1952 = 100)

REUTERS

MOODY'S

DOW JONES

AMERICAN MARKETS

NEW YORK

CHICAGO

LONDON STOCK EXCHANGE

MARKET REPORT

Continuation of institutions' shopping spree takes equities to new peaks and Telecom past 100p mark

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Nov 26	Dec 6	Dec 7	Dec 17
Dec 10	Dec 20	Dec 21	Jan 7
Dec 24	Jan 10	Jan 11	Jan 21

* " New-time " dealings may take place from 9.30 am two business days earlier.

British Telecom hoisted the century flag and leading industrials achieved new landmarks in an exuberant London equity market yesterday. The FT Ordinary index jumped 7.8 to a record 935.4 and other indices rose to new peaks as institutional investors continued their pre-Christmas shopping spree. Adverse U.S. influences were pushed aside by investors reacting to reports that Budget taxation cuts could be twice the amount envisaged recently by the Chancellor.

The significant rise in UK manufacturing output during the last quarter and news that year-on-year inflation was being contained at around 5 per cent were other stimulants. Continuing worries over North Sea crude oil price levels failed to temper overall enthusiasm, although the oil majors did tend to ease as investors switched funds.

Small public selling of BT, easily the week's outstanding development, dried up and the huge premium over the issue price (50p) increased further. After touching 101½p, BT closed 2 up on the session at 100½p, more than double the initial offer level. ICI also attracted a lively interest. Sterling/dollar considerations, on top of the group's large U.S. acquisition, aroused strong American buying of the shares which surged to 724p before settling a net 22 up at 710p.

Hopes that Wall Street would respond to last week's $7.1bn fall in money supply were confirmed—the Dow Jones average was over 7 points up initially—but London values came away from the best late. The highest inter-day calculation of the FT Ordinary share index was 939.1, at 1 pm.

Government stocks made another attempt to shake off the drag of this week's extremely disappointing UK money statistics and PSBR. Once again, however, the recovery movement stalled and eventually went into reverse following lower futures market prices. Opening easiness in U.S. bonds set the seal on a poor week for gilt-edged and longer-dated issues finished showing fresh losses ranging to ¼. Index-linked stocks fell from favour after the latest RPI figure and lost part of the previous three-day rise.

Inter-American Development Bank 9¾ per cent Loan 2015 made a quiet debut, initially trading at a small discount before picking up to close at par in £30-paid form.

Life Insurances soar

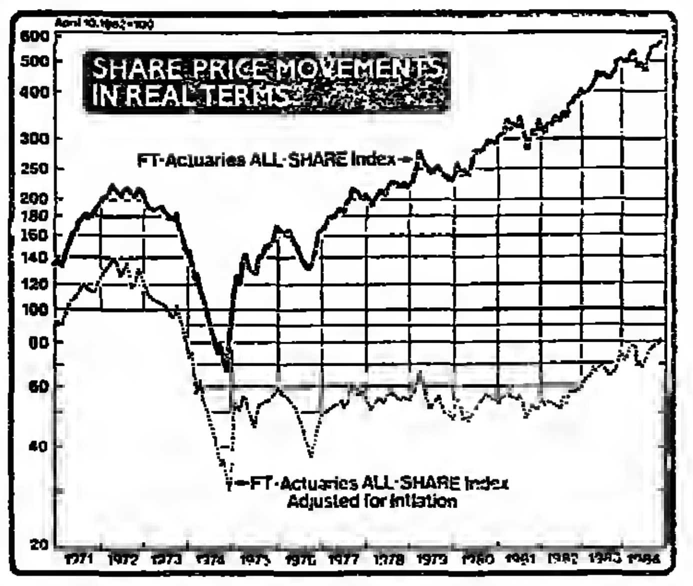
Life Insurance companies were outstanding performers again in the wake of Hambro Life's suspension on Thursday, at 498p, following news of the bid approach. Takeover favourites within the sector such as Equity and Law and Sun Life responded to revived speculative support which left the former 24 better at 270p and the latter 23 higher at 760p; Equity's interim results are scheduled for Tuesday. London and Manchester, 645p, and Refuge, 565p, jumped 25 and 23 respectively, while Pearl advanced 18 to 950p and Britannic 6 to 583p. Legal and General improved 8 to 560p as did Prudential, to 513p. Charterhouse J. Rothschild, which owns a near 25 per cent stake in Hambro Life, advanced 3 to 99p, after 100p. GRE, however, the holder of a 10 per cent interest in HL and rumoured as a possible predator, softened a couple of pence to 668p. Lloyds Brokers met with revived speculative demand, particularly C. E. Heath, which put on 10 afresh at 553p. PWS International rose 9 to 420p and Minet added 7 at 212p. Elsewhere, London United Investments gained 12 to 250p.

Quietly firm conditions prevailed among the major clearers. Lloyds put on 7 more to 512p, while Barclays, 545p, and NatWest, 578p, gained 3 apiece. Midland touched 375p before retreating late to finish unaltered at 368p. Clive Discount improved 3 to 72p on takeover hopes.

Breweries finished the week on a bright note. Dealers reported substantial demand throughout the session with investment activity dwelling on Bass, which touched 470p before closing a net 15 up at 467p. Recent favourite Whitbread A paused for breath, rising a penny to 215p for a gain on the week of 22. Arthur Guinness advanced 7 to 189p, while Scottish and Newcastle, interim figures due on Monday, hardened a few pence to 133p. Grand Metropolitan also returned to favour and advanced 11 to 313p; the preliminary results are scheduled for net Thursday.

Building shares displayed a firmer tendency. Among the leaders, Blue Circle improved 6 to 473p. Elsewhere, renewed American demand lifted Geo. Wimpey 3 more to 116p and Henderson Group were worthy of mention at 260p, up 10. Among Timbers, Phoenix closed 4 off at 124p, after 120p, mirroring the lower interim profits.

Laporte found support and edged 7 higher to 355p, while revived demand lifted Coalite 6 further to 215p.



Home Charm feature

The prospect of an increase in income tax thresholds further stimulated a Stores sector already enjoying support behind the traditional Christmas spending spree. Gussies A highlighted with a gain of 15 to 680p, after 684p, while publicity given to a meeting with brokers Capel-Cure Myers lifted British Home 9 to 275p. Harris Queensway, 224p, and MFI, 239p, advanced 8 apiece, while Home Charm, buoyed by fresh takeover speculation spurted 22 for a week's gain of 38 at 270p; the 7 per cent loan stock rose 16 points to £161. Renewed demand for Dixons found dealers short of stock and the shares leaped 25 to 510p; Currys improved 17 to 577p. Favourable Press comment prompted buying of Body Shop International which rose 45 in a narrow market to 476p, having earlier attained a new peak of 480p. J. Hepworth, 455p, and Our Price, 278p, put on 15 and 13 respectively. Among Mail-orders, gains of around 6 were noted for Grattan, 158p, and Freemans, 178p. Menswear retailers Cecil Gee dipped to 165p on the news that bid talks had proved to be abortive, but later rallied to close only 12 lower on balance at 180p — still up 23 over the five-day period.

Leading Electricals failed to establish a set trend. BICC gave up 6 at 242p and GEC softened a couple of pence to 224p, but Racal firmed 4 to 257p and Cable and Wireless improved 6 to 435p. Elsewhere, Oceonics advanced 13 to 160p in response to the interim results, while Crystalate firmed a few pence to 220p ahead of next Wednesday's preliminary results. Buying in a thin market lifted Atlantic Computer 10 to 275p and Microfilm Repro 20 to 170p. United Scientific gained 10 more to 220p on further consideration of the good preliminary figures and INSTEM jumped 22 to 220p following sporadic demand, which found stock in short supply. Microvitec, however, came on offer at 113p, down 17.

Leading Engineers met with revived institutional buying. GKN and Vickers advanced 4 apiece to 185p and 212p respectively, but TI drifted 2 lower to 226p. Elsewhere, Babcock International were noteworthy for a gain of 6 to 146p, while IMI put on 1½ to 96p. Demand in a restricted market left Bullough 13 dearer at 418p and United Spring put on 3 to 18p reflecting the annual profits recovery. William Cook closed a shade lower at 59p following the interim figures and warning about second-half prospects.

Food Retailers gave a firm performance. Associated Dairies put on 4 to 162p and Argyll added 6 at 254p. Baileys of Yorkshire rose 4 to 76p ahead of next Thursday's interim figures. Unigate, on the other hand, cheapened 3 afresh to 145p following comment on the half-year results.

An eventful week in Hotels ended with Comfort hardening a further penny for a rise over the period of 18 at 88p, following the surprise counter-bid from Ladbroke 7 dearer at 219p. Stakis rose 5 at 150p.

Powell Duffryn bid

Powell Duffryn rose 80 to 420p, after 445p, on news of the share exchange offer from Hanson Trust, which closed unaltered at 289p, after 284p, which values the bid at just over 385p per share. Metal Box, thought to be a possible target for Hanson, fell to 372p before recovering to close only 4 off on balance at 378p. BTR, helped by a broker's upgraded profits estimate, encountered renewed demand and touched 581p prior to ending 12 higher on the day at 575p. Support was again forthcoming for Reed International, which closed 8 dearer at 536p; the company's announced yesterday the sale of Index Printers and Thomson Photo-Litho. Boots improved initially to 196p, but ran back to settle only a net penny harder at 136p, but ran back to settle only a net penny harder at 191p. British Aerospace, assisted by news of the £100m Indonesian contract for Rapier missiles, advanced 10 to 375p.

Leisure concerns displayed no set trend after a moderate trade. Pineapple Dance Studio edged forward a couple of pence to 70p on the annual results, while improvements of 3 and 6 respectively were seen in First Leisure Corporation, 227p, and Insight, 94p. Samuelson Film Service, however, fell 20 to 550p.

Publishers continued to trade firmly. Associated Newspapers rose 7 to record a week's gain of 27 to 485p; the preliminary figures are expected early next month. Daily Mail A advanced 20 to 830p and buyers also showed interest in Associated Book, 17 up at a new 1984 peak of 350p. Sir Joseph Causton spurted 28 to 102p, after 108p, as Norton Opax, 3 up at 148p, purchased Fleet Holdings' 21.6 per cent stake in Causton and consequently initiated merger talks. Thursday's lapsing of BPCC's offer continued to provoke weakness in John Waddington, which dipped to 435p before settling 10 lower on the day and 65 cheaper over the five-day period at 455p. Also on the takeover front, East Lancashire Paper hardened a penny to 105p; British Syphon's offer was declared *unconditional* after the latter purchased G. M. Firth's 13.5 per cent stake in East Lancs at 106p per share. BSI rose a penny to 87p.

Shell lose ground

Nervousness about the outcome of next Wednesday's OPEC meeting called to discuss price differentials prompted persistent selling pressure in the leading Oils. Quotations gave ground throughout *the day before* before closing a fraction above their lowest levels. Shell were especially vulnerable after the recent weakness in the spot price of Brent crude and ended the day 13 off at 635p, while BP dipped to 483p prior to closing 5 down at 485p. *LASMO closed 11* cheaper at 322p and Britoil fell 5 to 203p, after 201p. Burmah Oil, on the other hand, were buoyed by increasing speculation about an imminent bid or the possible sale of the company's Quiton Hazell subsidiary and advanced to a 1984 high of 248p before closing 8 up on the day and 23 higher on the week at 235p.

Second liners were highlighted by current speculative favourite Falcon Resources which jumped 13 more to a year's high of 215p, and Great Western Resources, 10 better at 290p. Elsewhere, renewed profit-taking lowered Invent Energy 20 to 540p but Ireland's Eglinton put on 6 to 63p.

Minorco down again

Confirmation that Charter Consolidated had sold 7m Minorco shares at a price of 562—3.25m went to Anglo American Corporation and the rest were placed in the market—prompted further selling of Minorco which dipped 10 more to 550p, for a two-day loss of 50. Charter came under pressure in early trading and fell to 185p before rallying to close a net 3 lower at 187p, leaving the shares 14 higher over the week; the company announced better-than-expected interim results on Wednesday.

South African Gold shares remained thoroughly demoralised following the latest performance by bullion and the firmer stance taken by the U.S. Government against South Africa's political position, which encouraged further overnight American selling of Gold and related issues. An initial mark-down in London was followed by persistent local and Continental selling and share prices drifted for much of the session before edging off the bottom to the after-hours. Bullion dipped to $319 an ounce at once point but later rallied to close a net $2.75 lower at $323.5 an ounce. The Gold Mines Index dropped 13.5 more to 504.0, extending the decline on the week to 43.5.

Easier precious and base-metal prices took a toll on UK-domiciled Consolidated Gold Fields, 7 down at 478p, and Rio Tinto-Zinc, 5 cheaper at 597p.

There was no respite for Australians. Bullion's latest decline led to further offerings of Golds and Poseidon dropped 10 to 198p, while Central Norseman lost 5 to 398p.

Demand for Traded Options improved significantly. Total 12,892—almost twice Thursday's total. Much of the increased turnover was attributable to British Telecom which attracted 4,513 calls, 1,680 in the February 90's, 3 dearer at 14½p, and 2,672 puts. ICI recorded 670 calls and 200 puts in the wake of the acquisition of Beatrice Chemicals. The FT-SE 100 Index accounted for 567 calls and 452 puts.

FINANCIAL TIMES STOCK INDICES

	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 7	Year ago
Government Secs.	82.34	82.58	82.91	83.15	83.29	83.27	82.34
Fixed Interest	85.79	85.95	86.09	86.12	86.11	86.35	85.30
Ordinary	935.4	927.6	922.3	930.1	930.3	933.0	729.8
Gold Mines	504.0	517.5	531.6	529.8	532.5	547.5	558.0
Ord. Div. Yield	4.01	4.64	4.06	4.63	4.65	4.06	4.65
Earnings Yld.% (full)	11.07	11.76	11.88	11.80	11.82	11.20	9.45
P/E Ratio (net) (*)	10.28	10.21	10.10	10.17	10.15	10.02	12.29
Total bargains (Est.)	27,921	29,435	32,528	31,221	24,882	22,866	22,411
Equity turnover £m.	—	353.94	371.80	406.72	353.28	461.27	266.90
Equity bargains	—	37,585	44,100	41,900	25,709	27,110	10,430
Shares traded (ml)	—	234.4	339.4	266.5	318.8	287.8	143.8

10 am 937.1. 11 am 937.8. Noon 938.7. 1 pm 939.1.
2 pm 938.6. 3 pm 938.3.

Basis 100 Govt. Secs. 15/1/28. Fixed Inc. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index: 01-246 8026

* Nil = 9.95.

HIGHS AND LOWS — S.E. ACTIVITY

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Sec.	86.77 (9/1)	75.72 (30/7)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	87.48 (14/5)	80.43 (30/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	935.4 (14/12)	755.3 (25/7)	935.4 (14/12/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/5)	485.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)

	Dec. 13	Dec. 12
Daily		
Gilt Edged Bargains	127.6	150.1
Equities Bargains	243.6	285.8
Equities Value	710.4	751.7
5-day Average		
Gilt Edged Bargains	134.1	134.8
Equities Bargains	229.7	215.8
Equities Value	786.7	870.9

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983, based on Thursday, December 13, 1984

Tobaccos	+59.34	Property	+18.35
Insurance Brokers	+47.77	Capital Goods	+17.31
Health and H'sehold Products	+40.07	Investment Trusts	+15.51
Other Groups	+36.81	Shipping and Transport	+14.75
Food Retailing	+32.50	Textiles	+14.61
Newspapers, Publishing	+32.44	Financial Group	+14.27
Office Equipment	+32.99	Oils	+13.99
Other Industrial Materials	+31.38	Insurance (Life)	+11.93
Consumer Group	+28.49	Building Materials	+11.80
Packaging and Paper	+27.79	Banks	+11.74
Industrial Group	+27.02	Other Consumer	+11.19
Mechanical Engineering	+26.27	Motors	+9.54
Food Manufacturing	+25.47	Chemicals	+8.70
500-Share Index	+24.58	Leisure	+7.01
Brewers and Distillers	+24.41	Contracting, Construction	+5.80
Discount Houses	+23.84	Mining Finance	−1.35
Insurance (Composite)	+23.37	Electricals	−1.62
Stores	+22.94	Metals and Metal Forming	−9.39
Overseas Traders	+22.12	Gold Mines Index	−10.11
All-Share Index	+22.04	Merchant Banks	−10.99
Electronics	+19.06		

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 17	Jan 4	Mar 21	Apr 1
Jan. 7	Jan 18	Apr 11	Apr 22
Jan 21	Feb 1	Apr 23	May 7

For rate indications see end of Share Information Service

Stocks favoured for the call included *Dominion International* Warrants, Tilbury, Cape Industries, Thorn EMI, British Telecom, Cronite, North Kalgurli, Norfolk Capital, Birmid Qualcast, Kwik-Fit and Helene of London. No puts were reported, but a double was taken out in Sun Oil Royalties.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Dec 14 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Dec 13 Index No.	Wed Dec 12 Index No.	Tues Dec 11 Index No.	Mon Dec 10 Index No.	Year ago (approx.) Index No.	1984 High		1984 Low		Since Compilation High		Since Compilation Low	
1 CAPITAL GOODS (205)	551.29	+0.7	9.63	3.79	13.01	547.60	544.70	547.81	548.42	461.68	558.82	13/11	450.90	12/7	558.82	13/11/84	50.71	13/12/74
2 Building Materials (23)	502.95	+0.5	13.24	4.92	9.35	500.30	500.92	498.99	508.43	447.48	537.59	27/4	402.18	12/7	537.59	27/4/84	44.27	11/12/74
3 Contracting, Construction (30)	726.93	+0.9	13.23	5.40	9.65	720.51	716.54	715.24	714.83	642.57	776.48	25/4	602.70	19/7	831.69	15/3/83	71.48	2/12/74
4 Electricals (14)	1605.85	−0.9	10.25	4.72	12.31	1620.85	1617.49	1614.32	1627.16	1637.49	1802.52	2/3	1404.80	24/7	1909.93	3/6/83	84.71	25/6/62
5 Electronics (34)	1966.05	+0.3	7.48	2.45	17.27	1960.56	1956.62	1963.85	1986.24	[illegible]	2049.05	13/11	1581.70	31/5	2049.05	13/11/84	1581.70	31/5/84
6 Mechanical Engineering (60)	271.67	+1.1	12.30	4.74	9.70	268.66	267.52	268.31	266.98	208.28	271.67	14/12	212.79	3/1	271.67	14/12/84	45.43	6/1/75
8 Metals and Metal Forming (9)	163.83	+0.3	14.13	7.46	8.46	161.52	159.71	160.55	160.81	172.85	209.74	13/3	153.97	16/10	209.74	13/3/84	49.65	6/1/75
9 Motors (17)	136.51	+0.8	11.39	5.07	—	135.43	136.51	136.43	135.88	118.23	146.06	20/3	112.73	19/7	170.59	15/1/69	19.91	6/1/75
10 Other Industrial Materials (18)	805.26	+1.5	6.06	3.32	20.43	793.05	777.32	779.34	779.30	603.67	805.26	14/12	592.04	13/7	805.26	14/12/84	277.55	15/1/81
21 CONSUMER GROUP (189)	600.75	+1.2	9.48	3.90	12.66	593.61	591.35	593.96	592.84	480.75	600.75	14/12	464.33	12/7	600.75	14/12/84	61.41	13/12/74
22 Brewers and Distillers (22)	558.44	+2.1	11.79	4.44	10.21	547.20	545.42	542.64	542.19	453.65	561.46	2/5	439.89	3/1	561.46	2/5/84	69.47	13/12/74
25 Food Manufacturing (21)	463.92	+0.6	12.34	4.88	10.09	461.26	462.42	462.42	462.80	357.60	465.00	11/12	356.25	12/7	465.00	11/12/84	59.67	11/12/74
26 Food Retailing (12)	1416.23	+0.9	6.83	2.39	19.40	1402.79	1422.38	1420.13	1426.74	1041.51	1426.74	10/12	1057.23	10/2	1426.74	10/12/84	54.25	11/12/74
27 Health and Household Products (9)	2003.84	+0.7	6.73	2.40	17.84	1990.86	1989.72	2002.59	1998.21	1721.67	2007.59	11/12	[illegible]	4/1	2007.59	11/12/84	[illegible]	[illegible]
29 Leisure (22)	663.94	+0.6	8.45	4.70	15.49	658.73	660.77	661.34	662.23	559.78	731.98	20/3	522.19	25/7	731.98	20/3/84	54.83	9/1/75
32 Newspapers, Publishing (13)	1440.71	—	8.52	4.81	15.23	1440.45	1434.03	1426.33	1397.65	1029.58	1440.71	14/12	1087.45	3/1	1440.71	14/12/84	55.08	6/1/75
33 Packaging and Paper (14)	281.28	+0.4	13.06	5.15	8.91	280.04	279.64	277.50	275.07	213.49	281.28	14/12	211.47	24/7	281.28	14/12/84	43.46	6/1/75
34 Stores (45)	538.98	+2.4	7.49	3.46	16.02	526.54	521.42	528.91	523.06	426.03	538.98	14/12	388.27	12/7	538.98	14/12/84	52.63	6/1/75
35 Textiles (19)	288.45	+1.0	13.82	4.85	8.34	285.57	282.21	284.60	280.79	249.10	317.42	3/5	243.79	16/7	317.42	3/5/84	62.66	11/12/74
36 Tobaccos (3)	822.14	+1.0	15.31	4.67	7.28	821.48	828.53	827.48	831.86	459.80	831.06	10/12	508.50	5/1	831.06	10/12/84	94.34	13/6/62
39 Other Consumer (17)	510.16	+0.3	13.50	4.57	—	508.63	508.63	508.23	504.32	448.23	510.16	14/12	432.35	24/7	510.16	14/12/84	[illegible]	[illegible]
41 OTHER GROUPS (89)	589.17	+1.0	9.76	4.43	12.77	581.40	575.81	576.85	573.37	428.31	589.17	14/12	408.65	4/1	589.17	14/12/84	58.63	6/1/75
42 Chemicals (17)	701.23	+2.4	12.69	4.65	10.11	684.95	672.79	674.17	667.08	430.52	701.23	14/12	543.52	15/7	701.23	14/12/84	71.20	1/12/74
44 Office Equipment (4)	144.72	+0.1	7.91	5.34	14.35	144.59	143.89	145.18	145.52	113.33	149.67	14/9	109.30	3/1	246.06	1/9/72	45.34	2/1/75
45 Shipping and Transport (13)	930.37	+0.3	9.50	5.24	13.74	927.39	922.31	927.29	916.77	797.97	931.07	3/12	766.98	12/7	931.07	3/12/84	90.80	29/6/62
46 Miscellaneous (53)	766.59	+1.0	8.25	3.59	14.76	759.00	757.79	760.84	753.50	528.36	766.59	14/12	533.97	4/1	766.59	14/12/84	60.39	6/1/75
48 Telephone Networks (2)	684.20	+1.2	9.76	4.70	13.34	676.54	667.64	668.16	667.44	—	684.20	14/12	519.15	30/11	684.20	14/12/84	519.15	30/11/84
49 INDUSTRIAL GROUP (483)	594.98	+1.1	9.74	4.00	12.68	588.59	585.56	588.64	586.49	456.06	594.98	14/12	456.41	12/7	594.98	14/12/84	59.01	13/12/74
51 Oils (17)	1061.49	−1.5	16.43	7.08	7.53	1077.83	1086.41	1090.41	1097.58	917.12	1199.54	2/5	933.37	30/7	1199.54	2/5/84	87.23	29/5/62
59 500 SHARE INDEX (500)	634.14	+0.7	10.44	4.32	11.61	629.57	627.46	630.62	629.22	494.59	634.14	14/12	500.98	24/7	634.14	14/12/84	63.49	13/12/74
61 FINANCIAL GROUP (117)	425.10	+0.7	—	5.18	—	422.13	419.04	420.73	419.01	364.92	425.10	14/12	345.93	31/5	425.10	14/12/84	55.88	13/12/74
62 Banks (6)	420.71	+0.4	29.00	6.71	6.21	418.17	412.92	412.85	412.35	371.91	420.71	14/12	331.24	31/5	420.71	14/12/84	62.44	12/12/74
63 Discount Houses (9)	465.76	+0.4	—	6.57	—	464.10	466.52	469.22	469.22	342.03	479.32	16/4	369.10	12/1	479.32	16/4/84	81.40	10/12/74
65 Insurance (Life) (9)	579.75	+2.1	—	4.68	—	567.70	558.65	561.22	556.28	506.56	579.75	14/12	443.08	31/5	579.75	14/12/84	44.88	2/1/75
66 Insurance (Composite) (7)	307.03	+0.4	—	6.07	—	306.90	306.29	309.78	307.68	252.30	317.66	29/11	247.22	3/1	317.66	29/11/84	43.96	13/12/74
67 Insurance Brokers (6)	967.01	+1.4	7.96	3.58	17.42	950.08	944.64	940.10	940.12	645.41	967.01	14/12	617.47	12/7	967.01	14/12/84	65.86	16/12/74
68 Merchant Banks (12)	219.50	+0.9	—	4.76	—	217.58	216.74	217.41	213.90	229.31	251.54	11/4	184.18	24/7	278.57	15/1/72	31.21	7/1/75
69 Property (51)	636.95	+0.1	5.31	3.50	25.18	636.18	636.69	637.28	636.12	519.56	642.47	27/11	520.77	10/2	642.47	27/11/84	56.01	20/4/65
70 Other Financial (18)	259.37	+1.1	10.82	4.92	10.61	258.98	256.86	257.64	255.98	259.79	283.65	30/1	224.10	24/7	283.65	30/1/84	33.29	17/12/74
71 Investment Trusts (105)	558.53	+0.2	—	3.48	—	557.27	556.54	554.20	547.48	470.45	558.53	14/12	457.91	1/6	558.53	14/12/84	71.12	13/12/74
81 Mining Finance (4)	273.39	−1.1	10.93	5.56	11.60	278.38	277.54	279.40	276.43	276.52	337.57	10/4	250.14	24/7	337.57	10/4/84	66.31	30/9/74
91 Overseas Traders (14)	613.51	+0.3	9.43	6.35	13.04	611.60	609.19	606.26	602.97	495.88	613.51	14/12	485.15	12/7	613.51	14/12/84	97.37	6/1/75
99 ALL-SHARE INDEX (740)	578.55	+0.7	—	4.52	—	574.73	572.59	574.96	573.24	462.48	578.55	14/12	464.64	24/7	578.55	14/12/84	61.92	13/12/74
	Index No.	Day's Change	Day's High	Day's Low														
FT-SE 100 SHARE INDEX	1204.8	+8.1	1207.9	1202.3		1196.7	1190.7	1198.6	1197.9	—	1204.8	14/12	986.9	23/7	1204.8	14/12/84	986.9	23/7/84

FIXED INTEREST

PRICE INDICES	Fri Dec 14	Day's change %	Thur Dec 13	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	118.56	−0.05	118.60	—	10.94
2 5-15 years	130.97	−0.27	131.32	—	13.87
3 Over 15 years	136.90	−0.32	139.36	—	13.67
4 Irredeemables	150.24	−0.20	150.54	—	13.57
5 All stocks	129.58	−0.20	129.84	—	12.44
6 Debentures & Loans	110.34	−0.41	110.79	—	11.09
7 Preference	77.87	−0.03	77.90	—	6.59
BRITISH GOVERNMENT INDEX—LINKED STOCKS					
8 All stocks	110.69	−0.37	111.10	—	2.63

AVERAGE GROSS REDEMPTION YIELDS		Fri Dec 14	Thur Dec 13	Year ago (approx.)	1984 Highs		1984 Lows	
British Government								
1 Low	5 years	10.40	10.39	9.44	12.82	30/7	9.24	17/1
2 Coupons	15 years	10.37	10.31	10.10	11.65	30/7	9.88	9/1
3	25 years	9.90	9.85	9.67	10.98	23/7	9.63	9/1
4 Medium	5 years	11.07	11.01	11.09	13.15	30/7	10.49	13/3
5 Coupons	15 years	10.78	10.72	10.73	12.27	30/7	10.41	9/1
6	25 years	10.49	10.45	10.31	11.40	23/7	9.99	9/1
7 High	5 years	11.14	11.10	11.22	13.18	30/7	10.62	6/3
8 Coupons	15 years	10.93	10.87	10.94	12.30	30/7	10.61	13/3
9	25 years	10.73	10.71	10.44	11.62	[illegible]	10.35	[illegible]
10 Irredeemables		9.80	9.77	9.34	10.31	30/7	9.54	12/11
11 Debs &	5 years	11.33	11.29	11.63	12.99	1/8	11.18	22/5
12 Loans	15 years	11.36	11.36	11.63	13.04	31/7	11.29	29/5
13	25 years	11.44	11.37	11.63	13.10	12/7	11.29	29/5
14 Preference		12.61	12.61	12.31	13.44	17/7	11.90	7/3
15 Inflation rate	5%	3.76	3.24	3.14	4.02	30/7	3.16	4/1
16	10%	3.07	3.07	2.96	3.82	30/7	2.99	4/1

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	3/12/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Other Consumer	31/12/80	238.14	Mining Finance	29/12/67	100.00
Health/Household Products	30/12/77	261.77	All Other	10/04/62	100.00
Other Groups	31/12/74	63.75	British Government	31/12/75	100.00
Overseas Traders	31/12/74	100.00	Do. Index-linked	30/04/82	100.00
Mechanical Engineering	31/12/71	153.84	Debs. & Loans	31/12/77	100.00
Office Equipment	16/01/70	162.74	Preference	31/12/77	76.72
Industrial Group	31/12/70	128.20	FT-SE 100 Index	30/12/83	1000.00
Other Financial	31/12/70	128.06			

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES: Close Brothers Group (70) has been inserted. No deletion. ● Corrected figures 13/12/1984.

NEW HIGHS AND LOWS FOR 1984 UK ECONOMIC INDICATORS

NEW HIGHS (181)

AMERICANS (18)
CANADIANS (2)
BANKS (7)
BREWERS (6)
BUILDINGS (4)
STORES (20)
ELECTRICALS (9)
ENGINEERING (8)
FOODS (6)
HOTELS (2)
INDUSTRIALS (25)
INSURANCE (10)
LEISURE (2)
MOTORS (1)
NEWSPAPERS (4)
PAPER (18)
PROPERTY (8)
SHOES (1)
TEXTILES (2)
TOBACCOS (1)
TRUSTS (27)
OILS (3)
PLANTATIONS (1)

NEW LOWS (17)

BRITISH FUNDS (1)
Exchqr 9½pc 1998 A (£60 paid)
AMERICANS (1)
Caterpillar Tractor
ELECTRICALS (1)
Microvitec
INDUSTRIALS (3)
Beatson Clark — Fobel Internatl.
EIS
LEISURE (1)
21st Cent. Dstrbtn.
SOUTH AFRICANS (1)
Messina
OILS (1)
Clyde Oil
MINES (8)
East Rand Prop. — Cres. Stein
Rlw. oor. — Welkom
Geelkraal — Western Hldgs.
Pres. Brand — North Kalgurli

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	2	94	8	80	323	117
Corpns. Dom. and Foreign Bds.	7	20	37	42	99	224
Industrials	415	143	859	1,753	941	4,421
Financial and Props.	167	61	295	790	274	1,651
Oils	14	29	83	101	149	380
Plantations	4	1	12	21	23	41
Mines	15	76	86	112	338	437
Others	82	45	71	368	256	353
Totals	726	484	1,451	3,267	2,400	7,624

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
BTR	575	+12	Hanson Trust	289	—
Body Shop Intl.	470	+45	Jaguar	218	+3
Britannic Assurance	583	+6	Metal Box	378	−4
British Telecom	100½	+2	Powell Duffryn	420	+80
Burmah Oil	235	+8	VG Thermax	136	+16
Causton (Sir J.)	102	+28	Waddington (J.)	455	−10

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Brit. Telecom	21	98½	+3	Prudential	11	505	+5
Candover Invs.	17	178	—	BTR	11	563	+17
ICI	16	688	+18	Beecham	11	375	+7
Utd. Scientific	15	218	+17	McCarthy & S. 7pc Cv.	11	12½pm	+2½
Chart. J. Rmth	14	96	−2	Jenny & Giles	13	158	—
Hambro Life	14	498*	−28	Barclays Bank	12	542	+12
Legal & General	14	552	+7	Whitbread "A"	12	214	+7

* Price at suspension.

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
Brit. Telecom	178	98½	+10½	BAT Inds.	70	312	+2
Falcon Res.	93	202	+39	Burmah Oil	70	227	+15
Beecham	90	375xd	+10	Boots	68	190	+5
Hanson Trust	87	289xd	+14	BP	68	490	−17
Glaxo	79	£10⅞	+0⅞	Shell Trans.	67	648	−4
BTR	78	563	−22	Charter Cons.	66	190	+21
Pilkington Bros.	71	290	−15	Thorn EMI	65	465	−2

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+ or −	Net dividend	Times covered	Gross yield	P/E ratio
†1	F.P.	12/12	110	108	‡†Aberdeen Pet C1	108					
§100	F.P.	11/1	200	164	‡Access Satellite 5p	182	−2	[illegible]			
§110	F.P.	21/12	195	113	‡Addison Comm. 5p	195		[illegible]			
§140	F.P.	9/11	170	144	‡Alida	170		[illegible]			
§100	F.P.	28/11	110	102	‡Breakmate 10p	110		[illegible]			
130	F.P.	—	100½	88	British Telecom	100½	+2	[illegible]			
†1	F.P.	—	[illegible]	[illegible]	CSX Corp. US$1.00	[illegible]					
§105	F.P.	7/12	149	115	‡DVD Inc 10p	140		[illegible]			
§160	F.P.	—	182	176	Candover Inv.	178		[illegible]			
§110	F.P.	12/12	167	150	‡Graton Lodge 1p	165		[illegible]			
†1	F.P.	—	[illegible]	[illegible]	Engelhard Corp $1	[illegible]					
178	F.P.	14/12	89	[illegible]	‡Gabicci 10p	86		[illegible]			
¶¶	F.P.	—	31	25	‡Health Care S'vice	24	+1				
§140	F.P.	7/12	160	[illegible]	‡INSTEM 10p	220	+22	[illegible]			
§80	F.P.	[illegible]	115	85	‡Klark-Teknik 5p	115		[illegible]			
¶¶	F.P.	11/1	82	27	‡Monument Oil 5p	67					
140	F.P.	21/10	156	140	P.S.M. Int'l	150		[illegible]			
§130	F.P.	16/12	160	150	‡Penny & Giles Int'l	158		[illegible]			
§110	F.P.	10/11	11½	10	Second Marketinv 5p	11					
§140	F.P.	30/11	126	123	‡UOD Hldgs 10p	124		[illegible]			
§110	F.P.	11/1	115	110	‡Wardle Storeys 10p	115		[illegible]			
153	F.P.	14/12	250	190	Wassmoor Kon. DFL20	£35		[illegible]			
††	F.P.	—	[illegible]	[illegible]	‡†Willer Corp. $1	[illegible]					
20	F.P.	—	83½	81½	Williams (Rex) Leis. 5p	82		[illegible]			

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+ or −
¶¶	F.P.	31/12	118	109	‡Berfoyle 8% Cnv. Uns. Ln. '95	115	−1
81,574	£30	10/4	34¼	29½	African Dev. Bank 11½% Ln. 2010	33	−¼
[illegible]	F.P.	11/1	118	115	Automated Sec. 6% Cnv. Cum Red Pf	118	
[illegible]	F.P.	31/12	205p	167p	Elswick Hopper 8% Cv Cum. Pf. '94	175p	
[illegible]	F.P.	15/12	110	106	Estate Prop. Inv. 10% Cv. Pf.	110	
§100	F.P.	30/11	110	105	Folkestone Water 11½% Red. Deb. 2004	105	
¶¶	F.P.	30/11	110	108	Gable Hse. Prop. 10% Cnv. Uns. Ln. '99–2010	110	
(98.09)	F.P.	—	98½	90½	Gartmore Amer. 11% Deb. 2014	98½	
(98.40)	F.P.	10/1	98½	98½	Glasgow Stockholders 11% Deb. 2008	98½	
95.8	£15	4/2	16½	15½	Folkestone Water 11% Red. Deb. 2004	15½	
88.101	£30	17/1	35¼	30	28½ Int.-Am. Dev. Bk. 9¾% Ln. 2015	33½	
¶¶	F.P.	—	102	101	Int. 6% for Recon. & Dev. 11½% Ln. 2003	102	
(89.199)	£20	28/1	28¼	24½	Lon. Shop Prop. 11½% Ist Mort. Deb. 2015	28¼	
(98.01)	F.P.	15/2	98	96	Lowland Inv. 11½% Deb. 2010	96	
¶¶	F.P.	—	5pm	5pm	McCarthy & Stone 7% Cv. Uns. Ln. 99/2004	12½pm	+2½
¶¶	F.P.	—	104	101	Nationwide Bldg. Soc. 10¾% Bds 12/8/85	100¾	
—	F.P.	—	100	100	Do. 10¾% Bds. 9/12/85	100	
¶¶	F.P.	—	105	98	Normans Grp. 9% Cnv. Uns. Ln. 99/2004	100	+2
¶¶	F.P.	—	98	90	Pool 10% Cum. Pref. 1op	98	
¶¶	F.P.	—	100	98	Plant & Gen. 9% Cnv. Uns. Ln. 2000	98	
100	F.P.	18/1	119	110	Racal Elect. 7% Cnv. Uns. Ln. 2009/14	123	+6
91,970	£20	27/3	34¾	31½	Sweden 11½% Ln. 2012	23½	

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+ or −
5	F.P.	14/12	8	5½	Amalgamated Estates 5p	5	
80	F.P.	18/1	84	81	Attwoods	81	
176	Nil	—	40pm	40pm	Birmingham Mint	40pm	
143	Nil	30/1	25pm	25pm	Equipu	25pm	
30	Nil	11/1	34pm	31pm	Jacks Wm.	31pm	
¶¶	Nil	18/1	20pm	16pm	Lifecare Intl. Units	16pm	
195	Nil	18/1	37pm	33pm	Marshalls Halifax	33pm	
120	Nil	—	29pm	26pm	Notts. Brick	26pm	+4
70	F.P.	8/11	117	120	Tops Ests. 10p	120	+4
5	Nil	30/1	2¼pm	1¼pm	Tranwood 5p	2¼pm	+¼

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Allotment letters or fully-paid. ‖‖ Introduction. ‡ Unlisted Securities Market. § Placing price. † Figures assumed. ‖‖ Official London Listing. ‡‡ Dealt in under Rule 535(3).

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system: they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

STERLING ISSUES BY FOREIGN GOVTS. & INTNL. INSTITUTIONS

African Dev 6k 11.125pcLn 2010 £33⅛
Asian Dev 6k 10¼pcLn 2009 £93⅞ (12/12). 10¼pcLn 2009 £94⅝ (10/12)
Australia (Com) 11¾pcLn 2015 £103⅜
Finland (Repblc) 11½pcLn 2009 £100¼ (12/12). 11½pcLn 2009 (Br£5000) £101⅛ (10/12)
Inter Bank Rec and Dev New 11.5pcLn 2005 £34⅞ (12/12)
Ireland 12½pcLn 2008 £107⅞ 0 (11/12)
New Zealand 11½pc 2014 £182

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable in London)

STERLING ISSUES BY OVERSEAS BUYERS

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

Celtic Haven (5p) 39
Cement-Roadstone Hldgs 8pc8b 1986-91 £59
Central Sheerwood 10pcPf (£1) 65
Centreway Inds 11pcPf (£1) 86 (10/12)
Centreway Tst 11pcPf (£1) 90
Channel Tunnel Invests (5p) 140

E—F

G—H

I—L

Imperial Foods 0¾pcDb 1985-90 £84¼ (12/12)
Imperial Gp 3¼pcLn 1982-85 £97¼ (12/12). 8.9pcLn 2004-09 £64½. 7.5pcLn 2004-09 £09¼ (10/12). 10.5pcLn 1990-95 £97¼. 8. EvcLn 1985-90 £129½ 50
Industrial Newspapers 6pcPf (£1) 42 (10/12)

M

N—O

Q—R—S

Staveley Industries 5¼pcPf (£1) 41½ (7/12). 7½pcLn 1980-91 £79⊕
Steel Brothers Hldgs 9pcLn 1990-95 £83½ (10/12)
Steetley 6¼pcDb 1985-90 £80½ (11/12)
Stoddard (Hldgs) (18p) 18⊕. 4pcPf (£1) 30 (12/12)
Stone Intnl (20p) 156 9 40
Sunbeam Wolsey 8pcPf (Ir£1) I£8.38

T—U—V

W—Y—Z

FINANCIAL TRUSTS

Edinburgh Am Assets Tst 8pcLn 1975-98 (£1) 639 (11/12)
Edinburgh Financial Tst Wartosub 10. 13¼pcDb 2003 £114 (11/12)
Edinburgh Inv Tst 3.05pcPf £42 (7/12)
Electric and Gen Inv 10.1pcDb 1997-2002 £90½ (7/12)
English and Intrnl Tst 10¾pcDb 2014 £97¼ (12/12)

INSURANCE

INVESTMENT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

SHIPPING

UTILITIES

WATERWORKS

UNLISTED SECURITIES MARKET

Guernsey Atlantic Secs Tst (£1) 150 2 (11/12)
Health Car Services 23 (11/12)
Holden Hydroman (10p) 100 (12/12)
INSTEM (10p) 198 202 3
Klark-Teknik (5p) 115 7
Media Technology Intnl (20p) 178
Monument Oil and Gas (5p) 26 7½
Petrolex (5p) 50 9
Plasmec New (10p) 74
Share Drug Stores (10p) 194
Spectra Automotive and Eng Products (10p) 40 (7/12)
Synteriale (10p) 31 (7/12)
Thorpac Grp (5p) 78 (7/12)
UDO Hldgs (10p) 124 (10/12)
United Friendly Insurance B (10p) 2900

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Abbey National Bldg Soc 9⅞pcBds 16.1.85 £99.05 919
Airship Inds (10) 0½ (12/12). Do. (25p) 0 7
All England Lawn Tennis and £50Dbs 1988-90 (£2.875 pd) £5300. 59 (10/12)
Alliance Bldg Soc 10¼pcBds 23.1.85 £90.848 .851 .877 (11/12)
Alliance Tst 4pcAPf (£1) £25 9 (11/12)
Allied Entertain (£1) 199 5 (7/12)
Anglo-Am Agric 34 ½ (7/12)
Ann Street Brew (£1) 379 5 (7/12)
Arsenal FC (£1) £517 35 (12/12)
Ascot (10p) 12½ 5 (12/12)
Barden Hill (10p) 125 5 8 (10/12)
Bell 5pcPf (£1) 32 4½
Brain (S. A.) 11pc2ndPf (£1) 122 ¼ (11/12)
Business Mortgages 123 (11/12)
Carraun (10p) 4 0 (10/12)
CIC Inv (10)
Crown Intl (10p) 47 8 (7/12)
Crusts (10p) 130 2 (7/12)
Dalkeith (Ceylon) (10p) 14 0 (7/12)
Dart Valley Light Rlwy (£1) 93 8 (10/12)
Dollar Land (£1) 112 4 5
Dolarmore (10p) 26 ½ 7 (10/12)
Douglas Gas Light (£1) 210 20 (12/12)
Eastbourne Waterworks (£20) 775 800 (10/12). Original £55 60 (10/12)
Edenroring Invs (1p) ¾ 41/84th ¾
Flightspares (10p) 362 5 (11/12)
Guernsey Gas Light (£1) 200
Home Brew 78 3 99 (7/12)
ICE (1p) £10.99 95 .10
Integrated Bus Coms (5p) 88 70 3 5 (10/12)
Kunick Leisure (10p) 32½ 3 4
Leeds Fireclay
Lincolnshire Std 209
Martindale (R.) (£1) 700 (12/12)
Memcom Intl (10p) 215 7 29 40
Newgate Tst (5p) 3½ 7¼ (11/12). (10p) 5½ 0 ½ (10/12)
Pittencrieff Pet (£1) 105 (10/12)
Pullgranor (£1) £14.75 15.09 (12/12)
Rangers FC (£1) £18 (12/12)
St Austell Brew (£1) 520
Selton Hotel (£1) 205 (11/12)
5th Ousy Invs (£1) 100 10 (12/12)
Southern Newspapers (£1) 258 9½ (12/12)
Sturge (20p) 185 5 6 (11/12)
Teddale Invs (10p) 23 4
Thwaites (D.) (£1) 400 2 (12/12)
Utd Tst Credit (£1) 240 (7/12)
Weetabix A NV 114 5. 7pcPf 48 50 (7/12)
Welsh Inds Inv 1st Pfd 28 8 (11/12)

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

ACI Intnl 123 (7/12)
Acmex Hldgs 05⊕ 70⊕
Acorn Secs 19 (10/12)
Albertson's Inc £22 (7/12)
Alliance Oil Develop 72½ (12/12)
American Broadcasting £45D (12/12)
American Electric Power £16½ (10/12)
American Home Products £42¼
Ampol Exploration 170 (7/12)
Ampol 125⊕
Amsterdam-Rotterdam Bank $US17.90⊕
Anheuser-Busch £60 (12/12)
Apex Oil ($A0.25) 14½ (10/12)
Apple Computer £22¼⊕ (10/12)
Ashton Mining 56⊕ 6 (12/12)
Associated Dry Goods Co (11/12)
Atlantic Richfield £37¼⊕ (11/12)

Chieftain Develop 862½ (11/12)
Chillington 14½
Coal Allied Industs 210⊕ (11/12)
Coca-Cola £51¼ (12/12)
Coles (G. J.) 277⊕ 3
Comdial Corp 175⊕ 90 (11/12)
Cominco 737½ (11/12)
Commodore Intnl £16¾ (10/12)
Computervision Corp £28¾
Conex Aust 2¼ (12/12)

RULE 535 (3)

Dealings for approved companies engaged ...solely ...in ...mineral exploration

(By permission of the Stock Exchange Council)

LONDON TRADED OPTIONS

Dec. 14. Total contracts 12,822. Calls 8,638. Puts 4,256.
* Underlying security price.

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 16,078.

A=Ask B=Bid C=Call P=Put

APPOINTMENTS

John Laing senior posts

From January 1 Mr Peter Johnson is appointed finance director of JOHN LAING; Mr John A. Renshaw becomes chairman of John Laing Construction; and Mr Robert A. Wood is made chairman of O. C. Summers, and SBD Construction Productions.

★

Mr Harold Astley Whittall has been appointed deputy chairman of the ENGINEERING INDUSTRY TRAINING BOARD from January 1. He is chairman of Ransomes Sims and Jeffries and BSG International. Mr Whittall will work alongside the board chairman Sir Richard O'Brien whose term of office comes to an end on July 23, when the board will become due for reconstitution. Mr Whittall will then succeed Sir Richard as chairman.

★

SWISS BANK CORPORATION INTERNATIONAL has appointed Mr Stephen Mahony, Mr Alan Martin and Mr Colin Paul as associate directors from January 1.

★

DEBENHAMS APPLIED TECHNOLOGY, computer systems and services company in the Debenhams Group, has appointed three senior managers to its board: Mr Brian Hume, Mr Andy Brecken and Mr Chris Fisher.

★

Mr Guido Hanselmann has been appointed chairman of EURO-LATINAMERICAN BANK, and Dr Carlos Obregon V has been appointed vice chairman. Mr Hanselmann is an executive vice president and on the executive board of the Union Bank of Switzerland and Dr Obregon V is chairman of Banco Industrial de Venezuela.

★

Mr William Wilks has been appointed commercial director of REED PUBLISHING, where he will be responsible for finance and planning. He was assistant director of commercial affairs in Reed International.

★

Mr Andrew Biancardi has been appointed director of Multitone Communications International/MULTITONE COMMUNICATION SYSTEMS. He was export manager.

★

AIDCOM INTERNATIONAL appointed Mr Dudley Fishburn as a non-executive director. He is executive editor of the Economist.

★

TURNER AND NEWALL has appointed Mr G. A. Ross, research and development manager of its subsidiary Ferodo, as research and development director of that company.

★

Mr D. J. Montier has been appointed an executive director of FURNESS WITHY AND CO. Mr T. R. Pulley, finance director retires on December 31 but will remain on the board in a non-executive capacity.

★

Mr Peter Mansell has been appointed a director of LLOYD'S LIFE (ISLE OF MAN). He is general manager.

★

Mr James Ferguson has been appointed a deputy chairman of THE ASSOCIATION OF

INVESTMENT TRUST C
PANIES. He is joint mana
director of Stewart F
Managers.

★

Mr A. E. Holdsworth, gen
manager, has been appointe
director of DAS LE(
EXPENSES INSURANCE C(

★

Mr Graham Pettit has b
appointed general man
European division of THE G
BANK, Kuwait. He beco
senior representative at
bank's European representa
office in London. He was
the American Express I
national Banking Corporatio
the UK, where he was vice-p
dent and head of marketing.

★

Mr Alan Birchmore, an ex
tive director of Australia's B
Corporation, has been appoi
managing director of AIRS
INDUSTRIES in London.
company says he will
"represent the Bond Corpora
group in the London fina
community and assist with S
Brewery's increased ex
thrust."

★

Mr Roy M. Carver has b
appointed chairman of the
CONSUMERS' COUNCIL (W
MIDLANDS REGION)
December 31. He is joint ma
ing director of the Carver Gr

★

Mr P. A. Donald of T
EMI Electronics has been ele
chairman of the wideband c
systems committee of the EL
TRONIC ENGINEERING AS
CIATION. This committee
been set up to ensure that
industry plays an active rol
determining the technical s
fications for the new genera
of interactive cable network

★

Mr Leo Brooks, who beco
chairman of the MANAGEM
CONSULTANTS ASSOCIAT
on January 1, is managing d
tor of Inbucon Management
sultants. Mr John Lidst
deputy managing director
Marketing Improveme
becomes vice chairman.

★

SCOTTISH AMICABLE L
ASSURANCE SOCIETY has
moted Mr Martin Wilson t
investment manager and
Douglas Ferrans, Mr D
Mitchell and Mr Robert No
to deputy investment man
from January 1.

★

From January 1, Mr Ma
Cunningham, senior art direc
Mr Ron Finlay, senior acc
planner and Mr Andrew Po
account supervisor, will be
associate director of VA
POLLEN.

★

Mrs I. M. B. Murchie
retired from the board of JA
BEATTIE. The post of de
chairman will remain
porarily vacant. Mrs Murchie
accepted the honorary offic
vice president. From Jan
1. Mr D. G. Hanson form
director and general manage
Barclays Bank Trust Comp
and chairman of Barclays
corp, becomes a non-execu
director. Mr R. H. Coyle, gen
manager of the Wolverham
store is made a director.

★

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

High Income				
Gilts & Fixed Int.	112.5	119.0	-0.5	10.08
High Inc Equity	67.8	72.1	+0.2	6.24
Worldwide Cons.	155.7	165.6	+0.4	5.86
Capital Growth				
American Growth	119.9	127.2	+0.1	1.57
Assets & Engs. Tt.	67.7	72.4	+0.3	3.25
Capital Reserve	55.9	56.2	-0.1	0.75
Commodity & Engy.	73.7	78.8	-0.5	2.83
General	100.5	107.5	+0.9	2.83
Accum.	164.6	176.0	+1.2	0.00
UK Growth	63.1	67.9	+0.1	2.27
[illegible]	89.2	95.9	+0.2	2.27
U.S. Emerging Cos.	47.2	51.1	+0.1	0.51
[illegible] Prog.	147.7	158.0	+1.3	3.73

[illegible] Home
30, City Road, EC1Y 2AY. 01-628 6626

American Tech Fd.	112.8	120.7	+0.1	0.10
Exempt	417.1	442.2	---	---
Pacific Fd.	131.0	140.2	+0.2	0.20
Secured Income Fd.	134.0	143.3	+1.0	5.88
Special Sits	157.3	168.3	+0.9	1.56
Energy Fd.	35.4	37.9	+0.5	0.60
American Sitns.	52.0	55.6	+0.4	2.26
Small Co's Fd [illegible]	27.8	29.7	+0.2	1.97
Jap. Technology	66.3	70.9	+0.8	0.20

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex
Brentwood. (0277) 211459 & 229123

INSURANCES

هكذا من الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

28-34, Hill St, St Helier, Jersey. 0534 36281

MdBkOsGt	105.4	105.8	−0.3	11.34
MdBkIntBd	51.06	1.07	....	7.48

Minerals Oils Res Shrs Fd Inc

PO Box 194, St Helier, Jersey. 0534 27441

MoresDc15	$10.86	11.19	....	3.77

Samuel Montagu Ldn Agents

114, Old Broad St, EC2. 01-6283434

MtAmEqInc(z)	98.0	103.0	+0.4	5.69
MtJapInc(z)	70.1	73.7	+0.4	4.21
MntBitInc(e)	50.1	52.8	−0.2	10.17
MtSIRsD12	£15.16	15.17	....	9.17
MtInvDc12	$9.14	9.81	....	—
ApIDc11	SF102.35	111.05	−1.44	1.25
JpN30	HK$43.86	46.62	....	0.16
117GoN30	$17.43	18.75	....	1.38
MFRNDi5	$10.18	10.20	....	—
USFIFNv6	$11.22	11.82	....	—

Murray Johnstone (Inv Adviser)

163, Hope St, Glasgow, C2. 041-221 5521

HopeStD11	$66.02	10.70	....	—
MurFdD13	£18.52	19.72	....	—
PacFdDec12	$4.86	4.34	....	—

NEL International Ltd

PO Box 119, St Peter Port, Guernsey, CI.

Sterling Dep	77.3	81.4	....	—
SterlFxdInt	69.00	95.7	....	—
SterlingMan	93.5	103.8	....	—
IntFxdMan	104.8	113.9	....	—
Int Man	104.2	115.2	....	—

Nat Westminster Jersey Fd Mgrs Ltd

23/25 Broad St, St Helier, Jersey. 0534 78041

HgInFd(a)(b)	54.8	57.0	....	10.53
EqtyFd(a)(b)	191.8	198.0	....	2.87
IntBdFd(a)*	77.0	80.0xd	....	8.92

*Sub day every Thurs.

County Bank Currency Fund (z)

Dollar Class	$23.1209	....	—
Sterling Class	£11.4548	....	—
D-Mark Cl	DM53.5625	....	—
DutchGldrCl	DF153.5205	....	—
Jap Yen Cl	Y5,455.4709	....	—

Nogit SA

10a Boulevard Royal, Luxembourg.

NAV $9.24 .... —

Newport International Management

Bank of Bermuda Bldg, Bermuda. 809 295 4000

NptIntSec	$15.24	—	−0.25	—
NptIntInc	$14.59	—	+0.04	—
NptPacific	$11.80	—	−0.19	—

Norcap Fund Managers (Bermuda) Ltd

Bank of Bermuda Bldg, Bermuda. 809 295 4900

Amer Trust $7.94 8.25 .... —

Normandy Trust Managers Ltd

29, Athol St, Douglas, IoM. 0624 29696

Nov Mt	£0.9672	1.0132	....	2.00
Nov C7	£1.2327	1.2877	....	2.00
CorCrG	£0.7651	0.8054	....	2.09

Northgate Unit Tst Mngrs (Jersey) Ltd

PO Box 82, St Helier, Jersey. 0534 73741

PacFdDc13 $11.31 12.18 .... —

Pacific Basin Fund

10a, Boulevard Royal, Luxembourg.

NAV $15.61 −0.04 —

Inv. Adv., M & G Inv. Mngt. Ltd., London.

Perpetual UT Mngrs (Jersey) Ltd

PO Box 459, St Helier, Jersey. 0534 74517

OffshrGrw $1.12 1.191 .... —

Phoenix International

PO Box 77, St Peter Port, Guernsey. 0481 25539

IntDollarFd	$4.03	4.35	....	—
Far East Fd	$5.42	3.69	....	—
Int Curr Fd	$1.70	1.84	....	—
DirFxdIntFd	$4.15	4.47	....	—
StgExGtFd	£2.57	2.78	....	—

Providence Capitol International Ltd

PO Box 121, St Peter Port, Guernsey. 0481 26726/9

£UK FxdInt	165.5	170.0	....	—
£UKStkMkt	170.9	183.8	....	—
£StMdFd	148.5	159.8	....	—
£SpcMkFd	94.4	101.6	....	—
SIntStk Mkt	92.3	99.3	....	—
SIntFxdInt	122.1	131.3	....	—

4 Hill St, Douglas, IoM.

Cooper Tst £15.97 14.74 −8.11

TSB Trust Funds (CI)

26 Hill St, St Helier, Jersey (CI). 0534 754

TSB Gilt Fd	105.9	106.0
TSBGiltFdJy	105.9	105.9
TSB Jy Fd	97.1	102.0
TSB Grnsy Fd	97.1	102.0
TSBCrncyFd	102.5	107.8

Prices on Nov 28. Next sub day Dec

Taiwan (ROC) Fund

c/o Vickers da Costa Ltd, King William London, EC4. 01-625 24

NAV $472. IDR value US$11,955.42

Toronot Trust Mngrs (Jersey) Ltd

PO Box 194, St Helier, Jersey. 0534 729

Man Cur Fd 104.9 110.7 +0.1

Tennant (Cayman) Managers Ltd

MATICO

PO Box 2189, Grand Cayman. 0101 (809) 94974

Wstmstr Cm 58.55 8.79 ....

Tokyo Pacific Holdings NV

Intimis Management Co NV, Caracao.

NAV per share $141.63.

Tokyo Pacific Hldgs (Seaboard) NV

Intimis Management Co NV, Caracao.

NAV per share $103.38

Tyndall Bank (Isle of Man) Ltd

50 Athol St, Douglas, IoM. 0624 29

Stg Mny Fd	9.25	Nil	Qtr	Ch
US$MnyAcc	7.765	Nil	Qtr	Ch

Tyndall Managers

2 New St, St Helier, Jersey. 0534 37331

YDFSL	192.7	206.3	....
American	205.6	222.0	....
Far Eastern	259.2	277.0	....
European	112.8	121.0	....
Prtfio Man	103.5	111.2	....
Prtfio Amer	99.4	107.3	....
PrtfioSIFEst	108.7	114.3	....
PrtfioSoEar	106.1	113.8	....
Jersey Fd	175.6	189.8xd	....
(NnJAcUts)	425.2	464.9	....
Gilt Funds	117.2	119.4xd	....
(AccumShs)	316.6	322.0	....

Victory House, Douglas, IoM. 0624 24

HighIntGilt	113.0	115.2	....
(Accum Shs)	217.0	221.2	....

Tyndall International Assurance Ltd

Albert House, St Peter Port, Guernsey. 0481 27

Int Equity	434.1	457.0
Do $	5.175	5.450
PacificEqty	134.4	141.5
Do $	1.600	1.665
NAmerEqty	92.1	97.0
Do $	1.095	1.155
UK Equity	304.0	320.0
Do $	3.625	3.620
Euro Eqty	118.5	124.8
Do $	1.410	1.405
IntlFxdInt	458.4	482.5
Do $	5.465	5.755
StlgFxdInt	278.2	292.0
Do $	3.315	3.499
$ Deposit	146.2	153.9
Do $	1.740	1.835
StgDeposit	157.2	165.5
Do $	1.875	1.975
Commdity	445.1	468.6
Do $	5.305	5.585
Gold	83.6	88.0
Do $	9.995	1.050
UK Prpty	195.1	205.4
Do $	2.325	2.450
Intl Mngd	361.9	361.0
Do $	4.315	4.545
UK Mangd	263.6	277.5
Do $	5.140	3.310

Tyndall-Guardian Mngt Ltd

PO Box 1256, Hamilton, Bermuda.

T-G American	$19.62
T-G Money	$24.11
T-G Eurobond	$16.60
T-G Commodity	$21.95
T-G Mortgage	C$22.20
T-G Overseas	$10.94
T-G Pacific	Y2,070
T-G Wall Street	$25.34
T-G Gold	$8.91

M. G. Tyrrell & Co Ltd

PO Box 415, London W13 9NY.

Drtac $11.65 11.95

World Wide Growth Management

10a Boulevard Royal, Luxembourg.

Inv Adv, M & G Inv Mngt Ltd, London

WwdGthFd $11.12 — −0.09

Wren Commodity Management Ltd

19 St George St, Douglas, IoM. 0624 2

Wren Com Fd	12.0	15.3	....
Chinese Fd	59.9	63.4	....
PrecMetFd	122.7	127.8	....
VangCmdyFd	23.5	24.1	....
FinFalaresFd	32.4	33.8	....

Yamaichi Dynamic Mngt Co SA

10a Boulevard Royal, Luxembourg.

Dynamic Grw Fd $9.00 +9.01

Money Market Trust Funds

	Nom	Apr	Int Cr
The Money Market Trust			
63 Qn Victoria St, EC4B 4ST. 01-236			
Call fund	8.77	8.98	6mth
7-day Fund	9.75	9.60	6mth
Oppenheimer Money Management			
66 Cannon St, EC4N 6AE. 01-236			
Call fund	3.67	3.65	6mth
7-day Fund	9.02	9.22	3mth
MnyMgAc	8.750	9.04	6mth
Dollar	7.12	7.24	6mth

Money Market Bank Accounts

	Nom	Apr	Int Cr
Aitken Hume			
30 City Road, EC1Y 2AY. 01-638			
TreasuryAcc	9.375	9.71	Qtr
Mth Int Chq	9.35	9.65	Mth
Bank of Scotland			
38 Threadneedle St, EC2P 2EH. 01-628			
Cheque Acc	9.25	9.65	Mth
Barclays Prime Account			
PO Box 125, Northampton. 0604 25			
High Int Chq	9.25	9.57	Qtr
Britannia Grp of Investment Comp			
29 Finsbury Circ, EC2M 5QL. 01-555			
Cater Allen	9.00	9.381	Mth
Charterhouse Japhet plc			
1 Paternoster Row, EC4M 7DH. 01-248			
Sterling	9.25	9.65	Mth
US Dollar	8.50	8.96	Mth
German Marks	5.0	5.19	Mth
Swiss Franc	2.0	2.05	Mth
Japanese Yen	5.0	5.19	Mth
Choulartons			
30 Ashley Rd, Altrincham, Cheshire, 2DW. 061-828			
Cheque Acc	9.75	10.20	Mth
Co-operative Bank			
78-80 Cornhill, EC3. 01-626 6543 Ex			
Under £1,000	8.00	8.24	Qtr
Over £1,000	10.00	10.38	Qtr
Dartington & Co Ltd			
Dartington, Totnes, Devon, TQ9 6JE. 9805 86			
MnyMktAcc	9.50	89.84	Qtr
Henderson/Bank of Scotland			
38 Threadneedle St, EC2. 01-628			
MnyMtChqAc	9.25	9.65	Mth
Lombard North Central plc			
17 Bruton St, W1A 3DH. 01-409			
Notice Dep	9.75	19.12	Rate 1
M & G Kleinwort Benson			
91-99 New London Rd, Chelmsford. 0245 5			
HighIntChqAc	9.30	9.74	Daily
Midland Bank plc			
PO Box 2, Sheffield. 0742 20999 Ext			
High Int Chq	9.50	9.84	Qtr
Save & Prosper/Robert Fleming			
28 Western Rd, Romford, RM1 3LB. 0708 6			
HighIntMktAc	9.09	9.41	Daily
Premier Acc	9.00	9.41	Daily
Tyndall & Co			
29-33 Princess Victoria St, Bristol BS8. 0272 73			
Demand Acc	9.25	9.58	Qtr
Money Acc	9.375	9.71	Qtr
J. Henry Schroder Wagg & Co Ltd			
Enterprise House, Portsmouth. 0705 82			
Special Acc	8.90	9.27	Mth
Over £10,000	9.15	9.54	Mth

NOTES—Interest rates given both nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses.

OFFSHORE AND OVERSEAS

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

1984 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
[illegible]	26⅞	Abbott Labs.	33⅝	+⅛	[illegible]	—	2.9
[illegible]	11⅝	Ahmanson (H.F.)	21	+¼	[illegible]	—	4.6
[illegible]	22½	Alcoa $1	29½	.....	[illegible]	—	3.3
[illegible]	21⅝	Allied Corp $1	29¾	+⅛	[illegible]	—	4.9
[illegible]	13¼	Amax $1	14⅞	+⅛	[illegible]	—	1.1
11	751p	Amdahl 5c	10	+⅛	[illegible]	—	—
32	10⅝	Amer. Express $0.60	29½	.....	[illegible]	—	3.5
[illegible]	14½	Amer Medical Int $1	18⅞	+⅛	[illegible]	—	2.6
[illegible]	20½	Amer. Nat. Res. $1	30½	.....	[illegible]	—	3.7
[illegible]	10⅝	American T. & T. $1	15¼	–⅛	[illegible]	—	6.4
65⅝	43½	Ameritech $1	63⅞	+⅛	[illegible]	—	7.7
21½	15½	Amfac $	18⅝	+⅛	[illegible]	—	6.3
30¼	16¼	AmdTech	29½	.....	—	—	—
18¼	10¼	Bankamerica $1.5	14½	.....	[illegible]	—	8.3
46¼	27⅛	Bankers N.Y. $10	46¼	+1	[illegible]	—	4.3
66¼	46¾	Bell Atlantic $1	65⅝	.....	[illegible]	—	7.9
27½	19⅛	Bellsouth $1	27½	+⅛	[illegible]	—	7.6
20⅞	12	Beth Steel $8	12⅞	.....	[illegible]	—	3.8
20¼	11⅞	Bowater Inc.	17¼	+⅛	[illegible]	—	3.3
32¼	19⅝	Brown'g-Fer. 16⅔c	29	+¼	[illegible]	—	3.0
28¼	16⅝	Brunswick Corpn.	24	–¼	[illegible]	—	2.7
675p	534p	Business Computer	544p	.....	—	—	—
34½	24¼	CPC Intnl. 25c	33½	+½	[illegible]	—	3.3
14½	10⅝	CalFed Inc $1.00	12⅞	.....	[illegible]	—	2.5
59⅝	39⅛	Campbell Soup 60c	59⅛	+⅜	[illegible]	—	3.4
36½	24⅞	Caterpillar Tractor	24¼	–⅝	[illegible]	—	1.7
38	27¼	Chase M'htn $12.5	38	+½	[illegible]	—	7.8
27⅞	17⅛	Chemical New York	27⅞	.....	[illegible]	—	6.8
31¼	22⅞	Chesebrough-Pond's $1	27⅞	+½	[illegible]	—	5.6
27½	15⅛	Chrysler $6¼	25¼	+½	[illegible]	—	3.2
31⅛	19⅞	Citicorp $4	31⅞	+⅜	[illegible]	—	5.3
34⅞	21⅞	City Inv. $1.25	31⅞	+⅛	[illegible]	—	5.2

CANADIANS

BANKS, HP AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا عن الأصل

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australians

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	98	......	Arnott	158	......
Craig & Rose £1	£11	......	CPI Hldgs	49xd	......
Finlay Pkg. 5p	42	......	Carrol Inds.	123	+3
Higsons Brew	83	......	Dublin Gas	65	......
Holt (Jos) 25p	890	......	Holt (R. & H.)	42	......
IoM Stm. £1	105	......	Helton Hldgs.	15½	......
IRISH			Irish Ropes	33	......
Exch. 12% 1985	£98¾	......	Jacob (W.& R.)	65	......
Nat. 9¾% 84/89	£82¾	......	TMG	67	......
Fin. 13% 97/02	£86¾	......	Unidare	78	−2

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	25	Hanson Tst.	22	Vickers	18
BAT	38	Hawker Sidd	38		
BOC Grp.	24	Hse of Fraser	28	Property	
BSR	13	ICI	50	Brit Land	14
Babcock	15	'Imps'	14	Cap Counties	18
Barclays Bank	42	Jaguar	18	Land Secs	24
Beecham	39	Ladbroke	20	MEPC	38
Blue Circle	46	Legal & Gen.	42	Peachey	24
Boots	18	Lex Service	32	Samuel Props	14
Bowaters	16	Lloyds Bank	42	Sterling Guar.	5½
Brit Aerospace	34	Lucas Inds	24		
Brit. Telecom	7½	Marks & Spcr	10	Oils	
Brown (J.)	5	Midland Bk	33	Brit. Oil & Min	4½
Burton Ord	32	NEI	9	Brit Petroleum	38
Cadburys	14	Nat West Bk	54	Burmah Oil	19
Comm Union	13	P & O Dfd	24	Charterhall	6
Courtaulds	11	Plessey	20	Premier	6
Debenhams	19	Polly Peck	25	Shell	55
Distillers	24	Racal Elect	24	Tricentrol	22
Dunlop	5	RHM	18	Ultramar	22
FNFC	7	Rank Org Ord	24		
Gen Accident	42	Reed Intnl	58	Mines	
Gen Electric	20	Sears	7	Charter Cons	21
Glaxo	90	TI	18	Cons Gold	42
Grand Met	26	Tesco	8	Lonrho	14
GUS 'A'	55	Thorn EMI	42	Rio T Zinc	60
Guardian	58	Trust Houses	12		
GKN	16	Turner Newall	9		
		Unilever	85		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FINANCIAL TIMES

Saturday December 15 1984

MAN IN THE NEWS

Asking the £65 question

BY RAYMOND SNODDY

"MY MOTHER always used to say that if I didn't study I would never have five shillings for a hawker's licence," Stuart Young says with a smile. So he studied, qualified as an accountant, became a millionaire with a blue Rolls-Royce and at 50, the youngest and first Jewish chairman the BBC has ever had.

Now Young is concerned with a different sort of licence—the campaign he launched this week for a £65 colour licence for the next three years for the Corporation. The campaign has taken the senior partner of accountants Hacker Young straight to centre stage and political and public controversy. "The last two days have made me almost aggressive," he says calmly.

At the moment Stuart Young was launching his public campaign for a 40 per cent higher television licence political journalists were told that the Prime Minister was not opposed in

STUART YOUNG

principle to advertisements on the BBC. In an instant half the space available in the morning papers to make the BBC case was lost to what was seen as a political spoiling action.

Young has come a long way from what many took to be a Prime Ministerial appointment designed to instil some financial discipline in the profligates at Broadcasting House. Instead he has turned into the BBC's greatest asset in arguing public service issues in the language of monetarism for what Young believes is the finest broadcasting organisation in the world. "I have not been turned. I have not gone native. But I am completely convinced by the justice and importance of the case," he says.

"I have been 30 years in accountancy and I have put my name to that licence fee application. My personal credibility is at stake. Every line of that budget has been justified," says Young.

He wants to lead a national debate to find creative ways of broadening the base of the licence to reduce the burden on the needy. Although he came to the BBC as a governor convinced that a little advertising would be no bad thing, he now believes such a policy would be a disaster.

It would take the Corporation down a slippery slope leading to lower standards on the American model, he believes. The high standards of British broadcasting are founded on a monopoly of income for both the BBC and the ITV companies and a healthy competitive duopoly on the screen.

"If I am unable to convince people of the justice and logic of the case (on advertising), I think it should go to a Royal Commission," he says.

Young, whose brother David, recently entered the Lords and the Cabinet, says of the BBC chairmanship: "This is the most important job I will ever do and I don't expect it to be my last."

More important than your brother's?" "Much more," jokes. He makes the point that the BBC is the most respected and envied broadcasting organisation in the world, a point brought home to him when, as a Jew, he headed an official delegation to Saudi Arabia.

He feels a great sense of responsibility for the preservation of a 60-year tradition.

"It would be disastrous if the BBC got into the wrong hands and through negligence politicians were allowed to debase the coinage," he says.

"I hope the detractors of the BBC will be less emotional and think through the effects of what they are advocating." And, in what could be a personal motto, he adds—"less heat, more thought."

EEC-U.S. fail to ease trade conflict

BY QUENTIN PEEL IN BRUSSELS

TOP-LEVEL talks in Brussels between the U.S. Administration and the European Community yesterday failed to resolve conflicts between them on trade in steel and agricultural products.

They broke up with both sides insisting they would defend their positions in the General Agreement on Tariffs and Trade, but ruling out an outright trade war.

The only issue on which they appear to agree was that there was sufficient common ground for them to prepare for a new round of Gatt negotiations at ministerial level in 1986.

The Brussels talks, headed by Mr George Shultz, the U.S. Secretary of State, and M Gaston Thorn, president of the European Commission, ended with U.S. officials rejecting any suggestion of compensation for their restrictions on imports of EEC steel pipes and tubes.

At the same time, Mr John Block, the U.S. Secretary of Agriculture, served notice of an "aggressive" farm exporting policy, and a firm rejection of what he called "unfair trading practices."

Viscount Etienne Davignon, EEC Commissioner for Industry, and Mr Poul Dalsager, Commissioner for Agriculture, responded by insisting that Community rights under the existing Gatt would be maintained, including the right to fair shares of the market and compensation where necessary.

On the crucial area of agricultural trade relations, Mr Block warned that the proposed U.S. Farm Bill to be introduced by the Administration in the New Year, would increase competition in world markets.

"The U.S. Government has never believed in dividing up the world market with some sort of market shares," he said. Washington would work to bring down trade barriers," but it did not seek to launch a trade war.

"We believe the law of competitive advantage should rule. So let us look to the future with bold new aggressive policies."

Mr Dalsager, however, served notice of European resistance to any free-for-all in farm trade, saying that the Community had "an agreement in the Gatt in which we are working with a so-called fair share of the market and the Community intends to stick to that policy."

In spite of talks on Thursday night between Mr William Brock, President Ronald Reagan's special trade representative, and Viscount Davignon, the two sides did not find "any common ground for understanding or agreement" on the question of European steel exports to the U.S., according to an agreed statement read by Mr Thorn after the meeting.

Mr Brock said the issue of compensation had not been discussed between the two delegations, but he added that the Administration believed it could defend its restriction on imports of steel pipes and tubes from the Community in the Gatt. There was no justification for any suggestion of compensation, he said.

Viscount Davignon said there was "a difference of appreciation" between the two sides. A special Gatt council meeting is to discuss the matter on Monday.

"If the matter is not resolved within the council, we have reserved our rights within the Gatt," Viscount Davignon added. "We think that the decision taken by the U.S. are not in accordance with the Gatt rules."

The U.S. delegation also expressed fears about the effects of the likely enlargement of the EEC to include Spain and Portugal from 1986, which could hit many U.S. exports, including some $1bn of cereals sold to Spain each year.

The EEC delegation responded by pointing to the likely reduction in other tariffs, principally for industrial goods, and stressing the importance of the Community preference given to members of the EEC.

The only point on which the delegations seem to be in some accord after their annual round of ministerial-level talks was on the question of taking the Gatt further with a new round. Herr Wilhelm Haferkamp, the Commissioner for External Relations, said there was sufficient agreement for preparations

UK inflation rate down to 4.9%

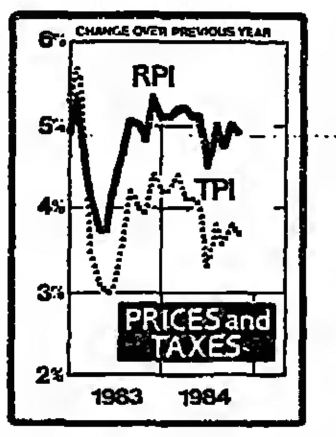
BY PHILIP STEPHENS

BRITAIN'S annual inflation rate edged down to 4.9 per cent last month from 5 per cent in October and the Government is forecasting a further fall in December.

The Employment Department said yesterday that the retail price index rose by 0.3 per cent in November, with most of the increase accounted for by dearer coal, newspapers, cigarettes and some food.

Mr Tom King, the Employment Secretary, said he was optimistic that this month's figure would show a further, and perhaps bigger, fall.

The Treasury has predicted an average inflation rate of 4¾ per cent for the final quarter of this year. But because that figure is a rounded fraction an average rate below 4.87 per cent, implying a 4.7 per cent figure for December, would allow the target to be met.



The Government is confident of such a fall because the recent cut in mortgage rates will reduce the December index by 0.3 per cent. Lower seasonal food prices and pre-Christmas discounts on drink and cigarettes should also dampen inflationary pressure.

Among prices rises expected in December are higher telephone charges and more expensive eggs and fresh meat.

The retail price index was at 358.8 in November (January 1974=100) compared with 357.7 the previous month.

The tax and price index, which measures the effect of both inflation and tax changes on incomes, was at 184.1 last month (January 1978=100), 3.7 per cent higher than in the comparable month of 1983.

Editorial comments, Page 18

U.S. to lift IMF bar on Poland

By Christopher Bobinski in Warsaw

THE U.S. has told Poland that it is lifting its veto on Polish membership of the International Monetary Fund.

The ban was part of the Western sanctions invoked in response to Poland's imposition of martial law and the banning of the Solidarity trade union in December, 1981.

The sanctions have been dismantled piece by piece over the past three years but the process was speeded up after the Polish amnesty for political prisoners last July.

The U.S. is persisting with its withdrawal of most-favoured-nation treatment for Poland as well as a ban on new government credits and credit guarantees for Poland's debt-ridden economy.

Mr Stanislaw Nieckarz, the Polish Finance Minister, yesterday declared himself pleased with the U.S. decision on the IMF and said his Government was waiting for formal unblocking of the Polish application.

The decision was also welcomed by Professor Witold Trzeciakowski, an economic adviser to the Polish Church which has opposed sanctions almost from the outset.

"Poland's crisis can be resolved only through imports of Western technology and a consequent boosting of trade both with Comecon—the Eastern bloc's economic grouping—and the West," he said. The IMF decision would make all this easier.

Poland applied to join the IMF in November, 1981, at the same time as Hungary. Hungary has since entered the fund. Other Communist members are Rumania, Jogoslavia, Vietnam and China.

The Poles, whose hard currency foreign debt is expected to reach $28.1bn (£23.5bn) by the end of the year, are intent on IMF membership to improve their standing in credit talks with Western banks and governments. They also hope to raise IMF credits.

OECD more hopeful about 1985

BY DAVID HOUSEGO IN PARIS

THE U.S. ECONOMY is slowing less sharply than previously thought, with some strengthening of domestic demand in Europe partly offsetting the problems that slowdown creates, the Organisation for Economic Co-operation and Development says in its latest six-monthly forecast, to be published next Thursday.

The OECD, which groups the main industrialised countries, is marginally more optimistic about world growth prospects for next year than at the time of its last half-yearly economic outlook in July.

For the U.S., it sees real gross national product expanding by 3 per cent in 1985 against the 2¼ per cent it predicted in July.

This is still below the 4 per cent Mr Beryl Sprinkel, U.S. Under Secretary for Monetary Affairs, announced this week to monetary experts in Paris as the U.S's own estimate.

For the western European economies, the OECD secretariat predicts 2¼ to 3 per cent growth next year compared with the 2¼ per cent forecast six months ago.

The OECD now expects inflation among the industrialised countries to fall below the 5¼ per cent it predicted in July. This reflects a lower level of real wage increases than it had earlier predicted, in part offset by higher price increases.

Overall the organisation expects world output to increase by 3 per cent next year. Expansion of 4½-5 per cent is forecast for Japan, with a slowing down of exports offset by a growth in domestic investment.

The OECD secretariat is divided about the significance of the slightly more optimistic picture. Some senior officials emphasise the immense uncertainty surrounding the U.S. projections and fear that both U.S. and European growth could be weaker. If this proves to be the case, they believe that the spring meeting of OECD finance ministers will be dominated by renewed discussion of the need for some stimulus to maintain activity in Europe.

Walker cool

Continued from Page 1

Mr Willis told Mr Walker, who was accompanied by Mr Tom King, the Energy Secretary, and Mr David Hunt, the junior Energy Minister with responsibility for coal, that the drift back to work was now negligible, and that the strike would stay largely solid.

He called for "reconciliation through negotiation" as a way to heal divisions in the mining areas.

Mr Walker said that the Government had ensured that a "uniquely generous" offer would be made to miners made redundant, and that it had not anticipated a strike.

The strike had been called without a national ballot; two of the three mining unions did not strike, nor did one-third of the NUM membership.

Both sides agreed that there should be a negotiated settlement and that they wished to see an expanding and efficient coal industry. Mr Willis confessed his disappointment at the result of the meeting, but the TUC stressed that the framework proposal had not been explicitly rejected by Mr Walker.

The NCB said last night that 34 "new faces" returned to work yesterday, taking the week's total to 477.

● Mr Scargill was found guilty at Rotherham Magistrates' Court of two charges of obstruction arising from incidents at the Orgreave coking plant on May 30. He was fined £250, with costs of £750.

Hanson

Continued from Page 1

ducts, clothing and household goods, which mirror many of Hanson's own activities.

Other substantial stakes understood to have been accumulated by Hanson in the last year include a holding of more than 3 per cent in Charter Consolidated, the industrial and mining finance group, and interests in Coats Patons, the Scottish textiles company.

Hanson recently announced a rise of 86 per cent to £169m in pre-tax profits in the year to September 30. It has a market valuation of more than £1.8bn and estimates that it is one of Britain's top 20 leading companies. At September 30, it had gross cash assets of £452m.

RECENT HANSON TRUST ACQUISITIONS

Date	Company	Value £m	Activity
Sept 1979	Lindustries	25	engineering/textiles
Oct 1980	McDonough	74	footwear
Dec 1981	British Ever Ready	100	batteries
Sept 1982	Utd Gas Inds	15.3	gas meters/heating appliances
April 1983	UDS Group	280	stores
Feb 1984	London Brick	247	bricks
May 1984	U.S. Industries	384	industrial & household products

Laker

Continued from Page 1

BA on anti-trust grounds was dropped at President Ronald Reagan's instigation. But this is seen as no comfort at all for BA in the civil courts, where it is thought by some that the President's action could even prejudice a U.S. jury in favour of damages.

Mr Gordon Dunlop, BA chief financial officer, could make no comment last night. Nor was Mr Morris available for comment. The Department of Transport, however, said it had never regarded February 14 as a firm date for privatisation.

"We have always said it was the Government's aim to privatise BA in the first part of 1985," said the Department, "and that remains the position."

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

BTR	595	+ 12
Bass	487	+ 15
Boase Msm Pollitt	695	+ 30
Body Shop Intnl	470	+ 45
British Aerospace	315	+ 10
British Home Stores	275	+ 9
Brook St Bureau	79	+ 7
Burmah Oil	235	+ 8
Causton (Sir J.)	102	+ 28
Equity & Law Life	270	+ 24
Falcon Resources	215	+ 13
Grand Metropolitan	313	+ 11
Heath (C. E.)	553	+ 10
Home Charm	270	+ 22
Iostem	222	+ 22
Oceonics	160	+ 13
Powell Duffryn	420	+ 80
Sun Life Insurance	760	+ 23
VW Thermax	136	+ 16

FALLS

Treas 13pc 2000	£114½	− ½
Treas 2pcIL 2006	£102½	− ½
Anglo American Cp	990	− 25
BICC	242	− 6
Gee (Cecil)	180	− 13
LASMO	322	− 11
Microvitec	113	− 17
Poseidon	198	− 10
Randfontein Ests	£80½	− 3¼
Shell Transport	635	− 13
Waddington (J.)	455	− 10

WORLDWIDE WEATHER

UK today: Western areas will be cloudy with showers. Sunny periods with showers elsewhere

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	16	61	Corfu	F	14	57	Luxmbg.	R	5	41	Peking	S	0	32
Algiers	S	19	66	Dallas		—	—	Madeira	S	17	63	Perth	C	21	70
Amsdm.	C	8	46	Dublin	R	4	39	Madrid	S	7	45	Prague	C	−3	27
Athens	S	14	57	Dbrvnk.	C	9	48	Majorca	S	16	61	Reykjvk.	C	0	32
Bahrain	C	21	70	Ednbgh.	C	8	46	Malaga	F	17	63	Rhodes	S	12	54
Barclna.	S	13	55	Faro	C	14	57	Malta	F	17	62	Rio J'o		—	—
Beirut	F	15	59	Florence	C	15	59	M'chstr.	C	7	45	Rome	F	17	63
Belfast	R	5	41	Frankft.	R	3	37	Melbne.	R	17	63	Salzbrg.	R	2	36
Belgrd.	C	1	34	Geneva	C	8	46	Mx. C.		—	—	S F'cisco†	F	9	48
Berlin	S	−1	30	Gibraltar	F	17	63	Miami†	C	23	73	Singapr.	F	30	86
Biarritz	S	13	55	Glasgow	C	8	46	Milan	Fg	7	45	S'tiago		—	—
Bmghm.	C	7	45	G'rnsey	R	10	50	Montrl.†	F	−9	16	Stckhm.	F	0	32
Blackpl.	C	7	45	Helsinki	C	−7	19	Moscow	Sn	−7	19	Strasbg.	C	7	45
Bombay	C	29	84	H. Kong	S	23	73	Munich	R	3	37	Sydney	S	28	82
Bordx.	F	11	52	Innsbrk.	Sl	1	34	Nairobi	C	24	75	Tangier		—	—
Boulgn.	F	9	48	Invrnss.	F	6	43	Naples	F	14	57	Tel Aviv	F	16	61
Bristol	R	6	43	I.o.Man	R	8	46	Nassau		—	—	Tenerife	S	21	70
Brussels	F	8	43	Istanbul	F	8	46	Nwcstl.	C	7	45	Tokyo	C	15	59
Budpst.	F	0	32	Jersey	C	7	45	N Delhi	S	18	64	T'ronto†	C	−4	25
Cairo		—	—	Jo'burg		—	—	N York†	C	8	46	Tunis	S	17	63
Cardiff	F	7	45	L. Plms.	F	20	68	Nice	S	15	59	Valencia	C	12	54
Cape T.	S	24	75	Lisbon	F	9	48	Nicosia	F	14	57	Venice	R	6	43
Chicgt.	R	1	34	Locarno		—	—	Oporto	S	11	52	Vienna	C	−1	30
Cologne	C	6	43	London	C	9	48	Oslo	Sn	0	32	Warsaw	C	−3	27
Cpnhgn.	C	1	34	L. Ang.†	F	7	45	Paris	S	10	50	Zurich	C	7	45

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain.

THE LEX COLUMN

Hark, the Hanson heralds sing

Index rose 7.8 to 935.4

There is more than a touch of the kill-joy about Lord Hanson. This time last year he effectively kiboshed London Brick's Christmas party and yesterday he repeated the trick with Powell Duffryn. The only concession to the spirit of the season was the early morning launch of the bid; Hanson Trust has a tradition of reserving the evening rush-hour for announcements of this kind.

In every other respect yesterday's all-paper offer was standard Hanson fare. PD has an extremely lacklustre record—earnings per share were lower last year than in 1980—and is particularly vulnerable to the miners' strike. PD's financial advisers are unlikely to be able to forecast a rise in profits for the current year and even the brighter outlook for 1985-86 is heavily conditional on a settlement of the strike.

Hanson was typically nonchalant yesterday, not even bothering to document a reason for the offer in its statement. botheriThe M—
The take it or leave it aproach is no doubt tactical—in practice a higher price will almost certainly be needed to secure control—but PD is probably not important enough to Hanson to justify much above 400p per share. So last night's closing price of 420p—up 80p on the day—may be verging on the optimistic.

Hanson stands to profit from the £115m of capital spending which PD has ploughed into its business over the past five years and must certainly reckon on extracting a higher return on the assets employed. But, after increasing its offer twice in the London Brick chase, Hanson may just revert to earlier practice this time, particularly as PD offers nothing like the cash generative opportunities that attracted Hanson to bricks.

Markets

Nobody would have been at all surprised if the City had shown signs of hangover in the second week of the British Telecom party. And in anything but such a well-primed market, this week's erratically bloated set of money supply figures might easily have persuaded gilt-edged investors to take up some more rewarding pastime. Yet the equity market seems, if anything, a more intoxicating place now that Telecom is safely established, while gilt-edged shrugged off an unexpectedly high government borrowing requirement as if it had no implications for the future supply of stock.

Cash that could not find its way into BT was looking for other homes — including shares with similar names, such as BTR and BP. The news that British Airways' shares might remain grounded for a few months longer was also in the market, helping to make fund managers feel that —until flight clearance comes through—they have a bit more money to play with.

Intasun

Intasun Leisure is agreeably chirpy about its spot of bother in the tour business, lagging the market on its winter bookings and as uncertain as everybody else about next summer. Pre-tax profits at the interim stage were down the more or less expected 17.6 per cent to £16.5m, after a £1m loss from shielding last summer's tourists from a strengthening Peseta. This should come down to about £12m for the year, or a bit less if one does not like Intasun's forthright way of charging aircraft financing in a straight line. But earnings should survive because of £10m or so from disposals of aircraft made possible by the nifty leasing deal with British Airtours; and Mr Goodman will not be paying any of that funny old Corporation Tax until next year.

Intasun should start the new year with £60m in cash and can go on happily punting in the crowded middle-range hotel market: it could clear £2.5m from the Comfort adventure even without another offer. Above all, Intasun will be quite well placed to repeat last summer's discounting should the public reject the operator's price increases. Even if margins crumble again in the main business it still has 40 per cent of sales on the segmented side. Not many people in the market yesterday were ready to take a view on the summer, and the share price stood still at 115p.

British Sugar

The late Friday afternoon slot obligingly vacated by Lord Hanson was not allowed to go begging: S & W Berisford chose yesterday to bring out the results of its subsidary, British Sugar, about a month earlier than expected and with even less explanation. The figures themselves are reasonable enough, though historic cost profits have fallen about 4 per cent to £61.7m in the year to September—slightly weaker than it looks, given a 53 week year. The timing – presumably has something to do with British Sugar's annual agricultural wage negotiation: talk of margin pressure and excess sugar production would certainly suggest as much. If Berisford really wanted to squeeze the unions, it might have done better to say something about the current keenly competitive state of pricing in sugar products. But that would doubtless restrain Berisford's share price even more effectively than its wage bill.

هكذا عرف النصر